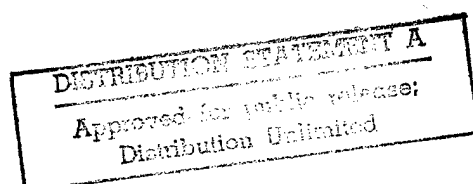


024240

JPRS 84728

10 November 1983



Latin America Report

No. 2762

19980609 170

DTIC QUALITY INSPECTED 4



FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

10
113
A06

JPRS 84728

10 November 1983

Latin America Report

No. 2762



FOREIGN BROADCAST INFORMATION SERVICE

10 November 1983

LATIN AMERICA REPORT

No. 2762

CONTENTS

ENERGY ECONOMICS

COLOMBIA

Government Will Seek To Regain Petroleum Self-Sufficiency (Carlos Pineros; EL TIEMPO, 29 Sep 83)	1
Briefs	
New Petroleum Deposits	3
Oil Production	3

VENEZUELA

MENEVEN Discovers Large Gas Deposits in Anzoategui (EL NACIONAL, 6 Oct 83)	4
---	---

COUNTRY SECTION

BRAZIL

Journalist Discloses Corruption in Government (O ESTADO DE SAO PAULO, 19 Oct 83)	6
Expressions of Support for Return of Direct Elections (Various sources, various dates)	8
Government Officials Comment PMDB Governors 'Unanimous'	
CUT Suspends Scheduled Strike, Prepares for Another (O ESTADO DE SAO PAULO, 21 Oct 83)	11
Increased Professionalization of Armed Forces Under Study (O ESTADO DE SAO PAULO, 19 Oct 83)	13

Briefs	16
UNE Congress	16
French Priests' Sentences Upheld	16
 CHILE	
Weekly Notes Influence of Political, Military Leaders (QUE PASA, 29 Sep 83)	17
 COLOMBIA	
FARC Leader Discusses Possibility of Peace Talks (AFP, 20 Oct 83)	23
Peace Commission Member on Magdalena Situation (Bogota Domestic Service, 22 Oct 83)	25
Government Planning Extensive Reform of Ports Enterprise (Carlos Pineros; EL TIEMPO, 27 Sep 83)	26
Briefs	
Mass Grave Discovered	29
Liberal Party Central Committee	29
New Naval Base	29
Prague, Moscow Trade Offices	29
Agreements With Israel	30
Venezuelan Border Trade	30
Coffee Price	30
Payments on Coffee Exports	30
Coal Exports	30
 CUBA	
U.S. Military in Central America Seen as Re-Election Ploy (Elpidio Valdivia; VERDE OLIVO; 8 Sep 83)	31
U.S. Military Presence in Puerto Rico Criticized (Oscar Ferrer; GRANMA WEEKLY REVIEW, 25 Sep 83)	35
FMLN Maintaining Military Initiative in El Salvador (Orestes Valera; GRANMA, 20 Sep 83)	37
Ways To Improve FAR Emulation System Described (VERDE OLIVO, 8 Sep 83)	39
Site of Nickel Complex Readied for Construction (Alexis Rojas Aguilera; GRANMA WEEKLY REVIEW, 25 Sep 83)	43
 DOMINICAN REPUBLIC	
Pena Gomez Decides To Resign as PRD Secretary General (LISTIN DIARIO, 24 Sep 83)	45

CGT Experiences Internal Power Struggle (Various sources, various dates)	48
Factions Give Economic Reasons, by Manuel Torres End of Crisis Seen, by Arsenio Ramirez	
Government Debt: Trends, Impact Discussed (Jose Romero; LISTIN DIARIO, 22 Sep 83)	54
Congress Approves Income Tax Revisions (Francisco Alvarez Castellanos; LISTIN DIARIO, 29 Sep 83)	56
Industrial Assets Tax Law Stirs Controversy (LISTIN DIARIO, 25 Sep 83)	58
Jorge Blanco Defends Regulation, by Maximo Manuel Perez Majluta Sees Production Reduced, by Manuel Silvestre	
Armed Forces Agricultural Development Project Reviewed (Max Uribe; LISTIN DIARIO, 30 Sep 83)	63

GUATEMALA

Charges of Past Corruption Heat Up Political Arena (DIARIO EL GRAFICO, various dates)	66
FPO Attacks Right, Rony Villavicencio Interview DC Denies Charges FUN: Traditional Parties Manipulated, Roberto Alejos Arzu Interview	
Dissolution of State Council Called Unpopular (PRENSA LIBRE, 30 Sep 83)	72
Sisniega Comments on Coalitions, Pitfalls for New Parties (Lionel Sisniega Otero Interview; DIARIO EL GRAFICO, 2 Oct 83)	73
Briefs AVIATECA Promotion Campaign	76

NICARAGUA

ATC To Mobilize 70,000 for Coffee Harvest (BARRICADA, 23 Sep 83)	77
Nine Gold Veins Found in Southern Zelaya (BARRICADA, 24 Sep 83)	79
Borge Describes Country as 'Model of Nonalignment' (Tomas Borge Martinez Interview; L'UNITE, 23 Sep 83)	81

FSLN Claims Progress in Anti-'Contra' Propaganda Campaign (Jose Francisco Mendieta Interview; BARRICADA, 16 Sep 83)	84
--	----

VENEZUELA

Lusinchi Outlines Foreign Policy Objectives (EL NACIONAL, 7 Oct 83)	88
Gradual Decline in Lusinchi's Popularity Reported (Alfredo Tarre Murzi; EL DIARIO DE CARACAS, 10 Oct 83)	91
Caldera on Municipal Elections, Debt Refinancing (EL NACIONAL, 6 Oct 83)	94
Caldera's Candidacy Reportedly Gaining Strength (EL NACIONAL, 7 Oct 83)	97
Pro-Caldera Movement To Seek Votes Among Undecided (EL NACIONAL, 11 Oct 83)	99
Rumors of Coup D'Etat, Possible Electoral Fraud Viewed (Editorial; EL DIARIO DE CARACAS, 9 Oct 83)	100
Electoral Campaign, AD-COPEI Internal Struggles Viewed (Pastor Heydra; EL DIARIO DE CARACAS, 10 Oct 83)	102

GOVERNMENT WILL SEEK TO REGAIN PETROLEUM SELF-SUFFICIENCY

Bogota EL TIEMPO in Spanish 29 Sep 83 p 8-A

[Article by Carlos Pineros]

[Text] Colombia will resort to the international banking system to finance the return to self-sufficiency in hydrocarbons prior to 1990, to judge from the applications for credit that it will submit to the consideration of the Consultation Group in Paris in October.

The return to self-sufficiency (the country started importing in 1974) requires a broad plan of the Ministry of Mines and Energy and the Colombian Petroleum Enterprise (Ecopetrol), from which two initial projects were selected to take to France.

The first project has a cost of \$502 million (some 41.2 billion pesos) and consists of a hydrocarbon cracking plant to convert 40,000 barrels of fuel oil per day into gasoline and other distillates, which will replace imports and increase the use of fuel oil in petroleum feedstocks.

The second project, whose cost has been estimated at \$151 million (some 12.4 billion pesos), consists of the installation of two oil pipelines to transport crudes from Los Llanos to Barrancabermeja: one 340 kilometers in length and 12 to 14 inches in diameter, and the other 175 kilometers in length and 8 inches in diameter.

There is a program named the "Bottom of the Barrel" under the petroleum policy that is intended to make the most out of all national crudes. It will be a means to increase supplies with our own resources.

Mines and Energy Minister Carlos Martinez Simahan contended that the projects which the Consultation Group will consider also conform to "the technological updating of Ecopetrol," and noted that this crude will provide more benefit by its conversion, without altering fuel oil exports which currently amount to \$450 million annually.

The average national production [of crude] is 150,000 barrels per day. It reached 153,000 barrels [per day] last August, a record figure for the past 7 years. The average national consumption is 200,000 barrels [per day].

The conversion of 40,000 barrels [per day] through the use of fuel oil, the exploitation of the deposits discovered at Los Llanos, and the outcome of other promising explorations will strengthen the government's intention to take resolute steps to restore self-sufficiency.

The capacity of the refineries is sufficient to process the crudes. The plants of Barrancabermeja will continue to refine the national crudes, and that of Cartagena the imported ones, for the time being.

The oil pipelines of Los Llanos are already in the design stage. Moreover, the government has plans to build two smaller ones in Yopal. The Cano Limon wells are very promising, according to reports available to the Ministry of Mines.

The Projects

The project of the Los Llanos pipelines (whose construction would not be warranted except for the hydrocarbon discoveries and the prospects of the wells) has a cost of \$151 million, of which the government seeks to raise \$91 million (7.5 billion pesos) from the international commercial banking system.

The official plan foresees outlays of \$20 million in domestic financing and \$37 million in foreign financing in the first year, i.e., 1984; \$30 million and \$27 million, respectively, in the second year; and \$10 million and \$27 million, respectively, in the final year.

The hydrocarbon cracking project has a cost of \$502 million, of which Colombia will borrow \$301 million (24.7 billion pesos) in Paris to be disbursed between 1986 and 1988. Both are initiatives of Ecopetrol.

According to reports of the Ministry of Mines, the latest data from the agencies in charge of managing the resources indicate that there has been a slight drop in national production, but Minister Martinex Simahan considers that the correlation between production and demand will be maintained, by which he foresaw that that demand will increase and production will follow suit.

Ecopetrol has been circumspect in furnishing information about the results of explorations in light of the fact that published reports have aroused exaggerated expectations in some instances.

8414

CSO: 3348/10

BRIEFS

NEW PETROLEUM DEPOSITS--Following a visit to the Mayoralty of Arauca, Rodolfo Segovia Salas, president of the Colombian Petroleum Enterprise (Ecopetrol), reported that completion of the Cano Limon No 2 well, which discovered two oil-bearing intervals producing 4,100 barrels per day, confirms the existence of light-crude reserves at moderate depths in the Los Llanos Basin. The offset well, drilled by Ecopetrol to verify the significance of the Cano Limon No 1 discovery well, uncovered two oil-bearing horizons which substantiate the existence of light-crude (30 degrees API) reserves at depths of 8,088 to 8,200 feet. This discovery, made on a site 6 kilometers from the Venezuelan border, between the municipalities of Saravena and Arauca, in a project of the Cravo-norte partnership, makes it possible to predict a substantial increase in exploratory activity in order to determine the actual petroleum potential of this region of the country. Despite the difficult accessibility and marshy nature of the area where these exploratory activities are taking place, the drilling of the wells has been done rapidly inasmuch as the discovery well was completed on 21 July, and the offset well on 22 September. [Excerpt] [Bogota EL TIEMPO in Spanish 29 Sep 83 pp 1-A, 8-A] 8414

OIL PRODUCTION--Bogota, 6 Oct (LATIN-REUTER)--It was officially announced last night that Colombian oil production has reached an average of 158,504 barrels of crude per day, 5,000 more than projected. The Colombian Petroleum Enterprise has announced that 70,917 more barrels will be added to the daily volume. Colombia uses an average of 190,000 barrels of crude per day, and to cover the deficit it has to import crude, mainly from Venezuela. [Summary] [Buenos Aires Latin in Spanish 1134 GMT 6 Oct 83 PA]

CS0: 3348/33

MENEVEN DISCOVERS LARGE GAS DEPOSITS IN ANZOATEGUI

Caracas EL NACIONAL in Spanish 6 Oct 83 p D-7

[Text] The gas which has already been discovered in the eastern provinces, the gas which may be estimated on the basis of the information gained and the gas assumed to be deposited in the deep strata has enabled geologists to provide data that will change Venezuela's oil situation.

And geologists are not inclined to take risks in their figures, although in their work they have to combine science and technology with imagination.

Dr Juan Chacin, president of MENEVEN [subsidiary of PETROVEN], tells us that we have proven and semi-proven reserves of about 35 million cubic feet, equivalent to 12 billion barrels of oil. We have reserves weighed on the basis of what we now know, amounting to about 70 million cubic feet; in other words, 24 billion barrels of equivalent oil.

These are the figures endorsed by Dr Chacin, not only because they have been produced by the technical departments of his company, but also because of his long experience in oil, which enables him to discuss the old wells of the 1940's, when the Jusepin fields and others in the eastern basin were operated quickly with pipes and other equipment made of poor materials (the better metals were for weapons, because the World War was under way), and their fine oil was used precisely to move the military machines. The result of this was that the recovery was slight and hydrocarbons which we are now attempting to recover were left in the subsoil. He also has experience in Venezuela's oil-producing east, because he comes from there, and his recollections date back to childhood, when the Guanipa Mesa offered the beauty of an unspoiled landscape.

But, returning to oil and the method of measuring it, we must try to understand the significance of these incorporated figures on gas, by comparing them with the current ones for crude oil. In Venezuela at present, the proven crude reserves stand at over 24 billion barrels, which means that the gas reserves amount to a similar volume of equivalent oil. But the resources now predicted enable the geologists to claim twice the amount; in other words, quantities of gas equivalent to 48 billion barrels would be a conservative estimate. And, if that is the case, different and very prosperous paths would be opened up in Venezuela's oil future, because the gas that emerges

together with the crude, or the unassociated free gas, contains various liquid hydrocarbons which are condensed at the surface temperature and atmospheric pressure; and they have extensive use and a variety of industrial applications and uses in petrochemical processing. The gas is the principal basis of petrochemistry; it is used for household cooking, generates electricity and can even replace gasoline as a fuel for automotive vehicles.

Chacin says that Venezuela's eastern basin is rather unique from the standpoint of hydrocarbons. Nature was very generous to it; in the south, it located the Orinoco Oil Belt in it, with large heavy petroleum resources; in the central part and across the entire width, it left it thousands of accumulations of light and medium petroleum which are rather small, none being very large; and in the north, also across the entire width, it also left enormous gas deposits which have not yet been totally quantified. It is not dry gas, but rather very rich gas with a considerable portion of condensates.

He explains that MENEVEN has conducted geological research for several years in the eastern basin. It was a serious and thorough job, which had backing from several highly qualified foreign technicians, including Dr H. D. Hedberg, a great expert on the region. This study has followed the geological history for millions of years, since the sea reached the line now followed by the Orinoco, and was pulled back because the internal land forces caused elevations. But the sediments remained caught there.

This study has helped to direct the explorations in a more logical manner. Juan Chacin says: "We know where we are going, and what we are looking for. We received from PDVSA [Venezuelan Petroleum, Inc] the directions to explore and evaluate the gas resources in northern Anzoategui, part of Guarico and part of Monagas. We are doing so, and extremely important reserves have already been proven."

The MENEVEN president does not like to use the expression "Gas-Producing Strip" which we have used previously to refer to the accumulations extending through the eastern mountains and even the ocean floor. He prefers to say that there is located in that area a great gas resource which will unquestionably prove important in the economy of Venezuelan hydrocarbons.

These major proven gas reserves in the east have made it possible to establish industrial programs both for MENEVEN and other companies. MENEVEN is building a large plant to separate the liquids, amounting to 57,000 barrels per day, from the 800 million cubic feet of gas per day. CORPOVEN [subsidiary of PETROVEN] will build a new, large system for transporting gas (which it will receive from MENEVEN in Anaco) from Anzoategui to the central and western areas. There will be other development. One can already observe that gas constitutes a stable, new reality projected toward the future.

2909

CSO: 3348/13

JOURNALIST DISCLOSES CORRUPTION IN GOVERNMENT

PY222327 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Oct 83 p 4

[Text] In his statement to the special Senate committee which is probing into the trade between Brazil and Eastern Europe, journalist Julio de Mesquita Neto pointed out that the scandal of the "Polish deals" [polonetas] is "the most serious example of the corruption, irresponsibility, or incompetence in public administration," known to him since he took over as managing director of O ESTADO DE SAO PAULO.

He added: "Corruption, irresponsibility or incompetence always ends up by causing great harm to the national treasury; harm which is mended by the sacrifice of those who work and pay their taxes." According to Julio de Mesquita, "these sacrifices are made to a greater or lesser extent by all the people whose hardships and suffering are almost unbearable."

He stressed: "Brazil has been turned into a paradise for well-advised adventurers who dare to do anything and obtain everything thanks to the providential support they receive from the most profitable activity in the country nowadays, intermediation; and also thanks to the protection of sponsors who have influence over those currently in power."

The managing director of O ESTADO DE SAO PAULO feels that "there is a widespread atmosphere of impunity which, in the case of the "Polish deals," will reward corruption, irresponsibility or incompetence which presided from beginning to end over the negotiations as a result of which the country has lost almost \$2 billion."

In his statement, Julio de Mesquita Neto stressed the significance of the disclosures and of the role which O ESTADO DE SAO PAULO has been playing in the shaping of public opinion "in search for concurrence that public interests should be protected." However, he voiced skepticism regarding the punishment of those responsible for the Polish deals.

Speaking yesterday before the Senate Investigative Committee, journalist Oliveiros S. Ferreira, one of the directors of O ESTADO DE SAO PAULO, lamented the absence of congressional control over the actions of the executive branch. Although he did acknowledge that congress has its limitations, Oliveiros de Ferreira

said that at the end of the task of the investigative committee, the senators "could be bound to conclude that they have carried out the most important task of all assigned to congressional investigative committees, because they will undoubtedly uncover a web of connections between the public and private sector, which involves so many interests, advantages, profits, and gains that this type of solidarity organization could bear no other name than that of Cosa Nostra."

The director of O ESTADO DE SAO PAULO feels that even if it will be unable to investigate in full the scandal of the "Polish deals," Congress will be able to pass political judgment on actions harmful to public administration.

CSO: 3342/14

EXPRESSIONS OF SUPPORT FOR RETURN OF DIRECT ELECTIONS

Government Officials Comment

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Oct 83 p 7

[Text] Vice President Aureliano Chaves asserted yesterday that the National Congress may take the initiative of reestablishing direct elections for choice of the next president of the republic, if there is a broad understanding among the parties. "Congress is sovereign and may at any time begin negotiations about direct elections," he emphasized. In Rio de Janeiro, although emphasizing that "the military comply with the constitution," Air Minister Delio Jardim de Mattos also stressed that "it would accede to a return to direct presidential elections if there is a political change to that effect."

Aureliano spent 2 hours in congress, where he spoke about motor-fuel alcohol before the House Mines and Energy Commission and was received as a candidate by several congressmen. In an interview, he said he hopes the PDS [Social Democratic Party] will be successful in the discussions it has been holding with opposition parties for modification of wage policy. He remarked, however, he is not worried about the possible rejection of Decree-Law No. 2045. "It is always desirable to reach conciliatory positions in voting upon matters of great importance for the nation. But congress," he said, "is sovereign to decide. Conciliation, after all, signifies convergence but not necessarily unanimity."

The vice president rejected the challenge made by Paulo Maluf to a debate among presidential candidates over the government's programs. "I don't pay any attention to that type of challenge. The important challenge that is always placed before every man in public life is his own political activity." A reporter asked whether he wasn't running away from the debate. "Be kind enough to acquaint yourself with my record in the Chamber of Deputies and see whether I have ever run away from any kind of debate," Aureliano replied sternly.

Gov Roberto Magalhaes of Pernambuco also expressed himself favorably toward direct election of the president. In Porto Alegre, where he spoke to Rio Grande do Sul businessmen, Magalhaes said that "the great majority of the people no longer favor indirect elections now that they have had a chance to vote directly for governor." Should it be impossible to change the rules in time, he suggested that the next administration be one of transition, with a mandate of no more than 4 years.

Even if Planalto Palace does not accept the idea of direct election of Figueiredo's successor, it is likely to use every weapon to prevent Maluf from being chosen by the PDS electoral college, Senator Marcondes Gadelha (PDS, PB [Paraiba]) maintained upon leaving the president's office. Furthermore, according to the congressman, Figueiredo is favorable to temporary suspension of the requirement of party loyalty. Gadelha is co-sponsor of Deputy Heraclito Fortes' (PMDB [Brazilian Democratic Movement Party], PI [Piaui]) bill proposing suspension of that principle for 1 year and said that the president respected his decision to introduce the bill favorably. As he sees it, this is the best means of containing Maluf.

As for Maluf, he completed 4 days of campaigning in Ceara yesterday. To get his name in local newspapers he did everything, as is his style: he played the piano in the homes of deputies, ate fruit on the farms of others and attended funeral services. He even recalled the tenseness of his first meeting with Gov Leonel Brizola, in congress. "When I am president," he said, dreaming away, "if he asks for an audience, I shall grant it. I shall help the state of Rio de Janeiro and shall ask him if he still remembers me as a 'deadpan!'"

Maciel

Senator Marco Maciel (PDS-PE [Pernambuco]) visited the offices of O ESTADO DE SAO PAULO, where he was received by journalist Julio de Mesquita Neto, with whom he discussed the nation's economic and political situation. Maciel assured that he was not campaigning. He will soon return to Sao Paulo to hold political meetings for his presidential campaign.

PMDB Governors 'Unanimous'

Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Oct 83 p 4

[Text] Foz do Iguaçu--Meeting here yesterday to discuss political and economic issues--the first round of talks began at 1630 hours--the majority of the eight PMDB governors who are participating in the meeting reiterated in interviews their support of direct elections, but admitted that if that could not be obtained the alternative could be discussed of presenting a consensus candidate in the electoral college to succeed President Figueiredo.

As consensus candidate, some governors mentioned Gov Tancredo Neves. The Minas Gerais governor denied to reporters that he was the author of the idea mentioned by aides of the other governors that during the meeting a "pact of a negotiated transition" be decided upon. Mr Tancredo Neves asserted that he was not bringing any political initiative to the meeting and that he will limit himself to the agenda of economic issues, among which tax reform is the one arousing most interest.

Unanimous

In interviews, Gov Franco Montoro emphasized that direct elections for president have the "unanimous" support of the PMDB. He said he respects the opinion of those who advocate a consensus candidate and added: "Perhaps I shall come to that conclusion later."

Gov Tancredo Neves stressed the need for negotiations leading to the consensus, recalling that reestablishment of rights depends upon this, as the opposition alone does not have enough members in congress to approve a constitutional amendment revoking indirect elections.

During the morning, at a meeting of the finance secretaries of the eight states participating in the meeting--Acre, Amazonas, Para, Minas Gerais, Espirito Santo, Sao Paulo, Parana and Mato Grosso do Sul--the governors of Parana (Jose Richa), Para (Jader Barbalho) and Espirito Santo (Gerson Camata) said in speeches that they feel "political liberalization is at risk because the public is very much frustrated" with the administrations that were elected last November. They pointed out that social pressures are increasing, worsening the crisis, and Governors Richa and Barbalho suggested a meeting of all the nation's governors, including those elected by the PDS, to discuss this situation.

"The way to overcome the crisis will be adoption of a policy of open dialogue with the federal government to arrive at a consensus about a solution for the crisis. The governors must urge their parties to take this position," asserted Amazonas Gov Gilberto Mestrinho, one of the governors who, along with Mr Tancredo Neves, mentioned Vice President Aureliano Chaves as a viable consensus candidate.

The governor of Mato Grosso do Sul, Wilson Barbosa Martins, felt that "consensus may be a solution for alleviating the crisis." His colleague from Espirito Santo also accepted the possibility of consensus, after all measures for direct presidential elections have been exhausted, which was also Jose Richa's position. The governors of Acre (Nabor Jr) and Para (Jader Barbalho) do not entertain the possibility of a consensus candidate to succeed President Figueiredo. "I do not know of any strong argument that does not favor direct election. The best consensus is that of the vote," Barbalho concluded.

Today the eight PMDB governors will hold their last meeting together in the Bourbon Hotel and then visit the Itaipu hydroelectric plant, where they will be guests at a luncheon hosted by the director general of the Itaipu Binational Company, General Costa Cavalcanti.

8834

CSO: 3342/11

CUT SUSPENDS SCHEDULED STRIKE, PREPARES FOR ANOTHER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Oct 83 p 32

[Text] The Sole Central Organization of Workers (CUT) announced in Sao Paulo yesterday suspension of the general strike scheduled for 25 October, alleging that the workers were uncertain about the need for the movement, as Decree No. 2045 had been rejected by congress, and that certain labor-union sectors did not participate in preparations for the strike and at times tried to boycott it.

The CUT, however, plans to get ready for another strike, intending "to strengthen and broaden rank-and-file leadership; carry out an educational campaign about Decree No. 2064 and the fighting principles approved by CONCLAT [National Conference of the Working Classes]; besides trying to enlist other sectors of the movement in preparing and organizing the workers for another general strike," according to a manifesto distributed yesterday by the entity and signed by Jair Meneguelli, purged president of the Sao Bernardo Metalworkers Union.

Commenting upon rejection of Decree No. 2045, Geraldo Santiago Pereira, member of the Sao Paulo State Pro-CUT Committee, said "the congress had an important role, but the victory was really due to the pressure exerted by the workers. It was a social mobilization, a consensus."

He asserted that CUT will continue "mobilizing the public for another strike, a date for which has not yet been scheduled, but which will depend upon the movement's unity, such as the one held about 21 July."

Demonstrations

Geraldo Pereira also announced a public protest against the government's economic policy on 25 October in front of the Municipal Theater. The CUT document also proposes for the same day "neighborhood demonstrations; rallies in public squares; parades with empty pots and pans; and turning out lights from 2000 to 2015 hours and beating on pots and pans during that period."

According to CUT, rejection of Decrees 2024 and 2045 showed "once again that only through our organization and our struggles can we bar the decrees and bills that are intended to harm the workers."

The document also says that the action of congress was important and that "congressmen met the commitments made to the public during the election campaigns. They thus helped restore the credibility of the National Congress in the eyes of the people."

Clara Ant, also of the CUT board of directors and of the Sao Paulo State Architects Union, made a point of stressing that "the strike will take place and not against decrees and numbers, but rather against the government's economic policy." She added that "the workers are [not?] ready to stop their organizing, which has advanced far since the convocation."

According to her, "whether they like it or not, rejection of Decree No. 2045 was a defeat for the government and a victory for the workers. But the struggle goes on, as poverty also goes on."

Yesterday in Para the CUT state leadership confirmed a public demonstration in Belem for 25 October to protest the government's wage policy. The regional leaders believe the new Decree Law No 2064 is just as harmful as No 2045 and for that reason the demonstration is still in effect. There will be a rally in one of the city's central squares and a march late Tuesday afternoon.

8834

CSO: 3342/11

INCREASED PROFESSIONALIZATION OF ARMED FORCES UNDER STUDY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Oct 83 p 13

[Text] A country facing a war of long duration must keep available a contingent of reservists ready to respond effectively and quickly to the call of the armed forces. This is the conclusion to which Brazilian military authorities have come, based upon observation of recent international conflicts, especially those of the Middle East and of the Falkland Islands.

For this purpose the Armed Forces General Staff initiated studies, already at an advanced stage, intending to increase the amount of professionalism in the army and air force, which are less professionalized than the navy, whose manpower consists mostly of specialized officers.

Greater professionalism can be obtained, according to the studies, through lengthening the time of military service, resulting in training specialists to meet the needs for military qualifications that are considered "critical" due to the shortage of personnel. Moreover, this will require concentration of funds in training, teaching and research. The army, for example, points out the need to train drivers for both wheeled and tracklaying vehicles, operators of electronic materiel and specialized mechanics.

Enlistment

In the army currently, 5 percent of the draftees may remain in the military service voluntarily in the base joined after discharge. Corporals and privates may enlist for 9 successive years at the most. This limit is established because after 10 years the officer has the right to go on active duty, a right guaranteed by law but which is not always desirable for the armed forces due to budgetary reasons. In some places where there is a shortage of specialized forces, as occurs in the Amazon region, the army tries to put the officer on active duty. How can one suddenly replace a seasoned fighter who knows the Amazon jungle?

Military service is compulsory for 10 months. If the private or corporal is discharged, the only chance he will have to reenter a military career will be to take admission examinations in the Sergeants-at-Arms School in Tres Coracoes, or in the establishments of higher military education, if he wants to be an officer. Exceptional cases can occur in the services sector, where the professionalization process is more flexible.

According to military sources, "all the units of the army are, really, shops for vocational training." Courses for privates and corporals involve training of drivers, firemen, electricians, mechanics, carpenters and barbers. The factories and arsenals, in terms of their facilities and their technical and human resources, are transformed into veritable centers of vocational training.

About 1 million youths are drafted every year into the army, but only 130,000 remain, for various reasons. The general staff is studying the possibility of making use of a greater number of youths as professionals. The basic idea is to make it possible for the draftee, after completing the period of compulsory service, to reenlist voluntarily for 1, 2, 3 or 4 years. The criterion for accepting the enlistee will be based upon the needs for certain critical military skills.

With this measure, the quantity of trained draftees will diminish in proportion to the rate of enlistment. The armed forces would be providing a large number of jobs, combining the obligation and ideal of serving the nation with an interest in a military career. They would be performing an important role in the labor market, opening their doors to thousands of unemployed youths.

With a larger proportion of professionalization the Special Forces would have more experienced and better trained officers available for certain missions. In both the active service and in the reserve, the professional is in a better position to respond to call to duty in case of war. The draftee is able to receive only superficial training, whose practical value does not last more than 5 years.

For this reason, the reservist must report annually to his draft board for a 5-year period to bring his records and address up to date.

Navy Trains Enlisted Men

[Text] Brasilia--Navy Minister Maximiano da Fonseca and Air Minister Delio Jardim de Mattos support the idea of "professionalizing" privates and corporals.

Adm Maximiano da Fonseca, however, believes the measure will benefit the army and air force much more than his own branch. That is because the navy, of the three armed forces, is the one that has the largest number of enlisted men at the rank of corporal and private with defined specialized careers, without a fixed period to remain on active duty. This is true in both the fleet (the navy strictly speaking) and the marines, particularly the latter. The great majority of its enlisted men enter the navy with the intention of staying there permanently and for that reason take specialized courses that train them to perform specific activities within their squadrons. The marine is transformed into a "combat professional," with technical training for operations in various terrains and situations. The enlisted man who joins the navy also takes specialized courses to perform activities on board the vessels of the fleet.

In the case of the air force, its enlisted men are drafted, as in the army, to fulfill their "period of service," as determined by law. Few become an "enlisted corporal," a position allowing one to remain in the FAB [Brazilian Air Force] for 8 years.

The Air Ministry is studying a proposal for such soldiers or corporals, if they wish to remain in the air force and become sergeants, to continue receiving the pay of their present rank until finishing the course. The lack of a salary, according to observations, has resulted in many enlisted men, who get married during the period of military service, failing to remain in the air force, and this loss is what the Air Ministry authorities are trying to avoid by providing the minimal conditions needed to remain in the service.

8834

CSO: 3342/11

BRIEFS

UNE CONGRESS--The congress of the National Union of Students (UNE), which will open tomorrow evening in Sao Bernardo do Campo, continuing through Sunday, is likely to be attended by at least 2,700 delegates and about 5,000 students from various states, according to predictions of the congress secretariat, with offices on the 19th floor of the Municipal Building. The local government is providing all services for the meeting, although the biggest problem so far has been the funding for food. This evening the Municipal Chamber is to meet in emergency session to vote on Mayor Aron Galante's (PMDB [Brazilian Democratic Mobilization Party]) bill requesting release of 22 million cruzeiros for this purpose. But some councilmen of the mayor's party have expressed themselves against providing the money, arguing that it should be spent for local public works. At first, only four of the nine PMDB councilmen were willing to approve it, enough, added to the seven from the PT [Workers Party], to assure the bill's passage. Yesterday morning Mayor Aron Galante met with the councilmen of his party to request their support. The opening and plenary sessions will be held in the Vera Cruz Exhibition Hall, where the CONCLAT (National Conference of the Working Classes) was held in August. The students will discuss subjects related to the nation's present position, the university, international issues, organization of the UNE and election of new officers. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Oct 83 p 13] 8834

FRENCH PRIESTS' SENTENCES UPHELD--The higher military court yesterday reexamined the trial in which French priests Aristide Camio and Francois Gouriou were sentenced to 10 and 8 years imprisonment, respectively, on charges of breaking the national security law by agitating among squatters in Sao Geraldo do Araguaia in southern Para. After a session that lasted more than 7 hours, the court upheld the sentences by a majority vote, and did not disqualify [words indistinct]. The court also upheld the sentences handed out to 13 squatters who were involved in an incident with the federal police in the Araguaia Region in October 1981, when one person died. [Carlos Rodrigues] [Excerpt] [PY211750 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 21 Oct 83]

CSO: 3342/14

WEEKLY NOTES INFLUENCE OF POLITICAL, MILITARY LEADERS

Santiago QUE PASA in Spanish 29 Sep 83 pp 34-37

[Text] The main theme of 1983 has been change. The drawing up of the list of "key men" in Chile--a tradition which QUE PASA has kept up for 7 years--brought, therefore, several surprises.

As on previous occasions the magazine got together to update, with the help of other individuals consulted, the list of those who, because of their power and influence, appear essential to the country's progress.

Although the 1983 ranking includes some variations in comparison with previous ones, the basis for selection has been maintained. Key personalities are those who play a significant role in public affairs, whether because it is their job to handle them directly, or because, for a variety of reasons, they have influence on them. For that reason representatives from artistic, scientific or sports circles do not appear in the list; and for that reason, on the other hand, members of the ecclesiastical hierarchy, former government officials, journalists and...politicians do in fact appear.

Another warning. By reason of the obvious "specific weight" of the jobs they hold, we are excluding the president of the republic and members of the government junta and their respective wives.

With our cards placed on the table, we move to the results.

First, it is noteworthy that the list was reduced to 40 names (ten less than usual). QUE PASA believes that, justly, only that number deserves the "key" label; that decisionmaking has tended to be concentrated in the "heads" of each sector, especially within the government.

Nor, as a product of the opening process started this year, can the influence which politicians have again begun to exercise within the country escape notice. It is not unusual, then, that in the 1983 ranking several names obviously might have shown up in somewhat similar fashion one or two decades earlier.

Another variation in comparison with previous lists is that this time we are adding more categories: influential foreigners and those who play an important part because of their views.

Such are the hypotheses for the selection and preparation of the list. These are the "keys."

Government

The first name mentioned by almost everyone consulted about "key" Chileans was Sergio Jarpa. Since he joined the Cabinet in midyear, the interior minister has been promoting a political opening plan and a process of reapproachment with labor, ecclesiastical and political sectors. His participation along these lines has been fundamental in the dialogue with the opposition which, although in abeyance, promises to be resumed imminently.

Quite close to Jarpa's appears the name of Luis Simon Figueroa. The former undersecretary of agriculture, who currently has the same job in the interior portfolio, was called to La Moneda by President Pinochet himself to whom he is connected by family relationship and friendship, which, no doubt, transforms him into an important figure. Such is also the case with Alfonso Marquez de la Plata, minister and secretary general of government, with whom that Secretariat of State, vital insofar as it reflects the government's image and communications, seems to have moved onto the offensive. He also plays a key role on the political team headed by Jarpa.

If these are the people essential to the leadership in domestic policy, there can be no doubt that in the foreign affairs area the key lies in Foreign Minister Miguel Schweitzer Walters who has been outstanding because of his dynamic style included in which the diplomatic offensive announced by him recently might be singled out. The views of Education Minister Monica Madariaga also keep on being heard at the palace. She, with her earlier performance at the Justice Ministry, has succeeded in establishing a record for permanence in the cabinet. Her key role lies in the university rectors, which has lessened their importance.

In the economy area the key man is, unequivocally, the economy minister, Carlos Caceres. The former dean of the faculty of economic and administrative sciences at Valparaiso School of Business still has, despite criticism heard in various sectors; the most influential views when "Chilean dough" is involved. He was the [key] personality in the renegotiation of the foreign debt as he also is at the present time for his success in reducing the unemployment rate. And precisely because of solutions introduced to overcome this problem, the minister of housing, Modesto Collados, became one of the "1983 key figures" for implementing a rapid plan of employment in that ministry.

Fundamental pieces in the economic leadership puzzle are also the inflexible director of internal revenue, Felipe Lamarca, who has become one of the truly noteworthy personalities of the regime, and the president of the Central Bank, Hernan Felipe Errazuriz, both of whom are maintained as essential figures.

However, and even though he has no official duties, the former minister of finance, Sergio de Castro, is still a key figure in the Chilean economy because he is the indisputable ideologue of the "Chicago boys" and because he also exercises an undeniable influence from the pages of EL MERCURIO.

Armed Forces

In this area the standout name is that of General Santiago Sinclair, minister and secretary general of the presidency, with direct access to the chief of state, and through whom pass the lines which coordinate the government's actions. Running a very close second in his key activity is Colonel Jorge Ballerino.

The "second men" in the army, navy and state police: General Julio Canessa (who is also the president's confidant), Admiral Maurice Poisson and General Rodolfo Stange, respectively.

Because of his combativeness against extremism, especially in recent months, General Humberto Gordon, director of the controversial National Intelligence Center (CNI), also a key personality. And, curiously, the former director of the former security agency, even more controversial (the DINA), again appears, and perhaps for a long time, in our ranking. General (Ret.) Manuel Contreras is "number 9 man."

Businesses and Unions

This has been a key year for Rodolfo Seguel. So much so that he broke out of the anonymity in which he found himself before elected president of the Copper Workers Union onto the front pages of Chilean as well as foreign dailies right after the call for carrying out protests. The appeal, which he made within the National Workers Authority, in turn brought about several internal shakeups in the labor area, in the middle of which the name of Eduardo Rios emerged as a key personality. The top man in the Democratic Workers Union (UDT), who represents a significant union trend and who in midyear went to La Moneda (along with other colleagues) to hold a meeting with the then interior minister, General Enrique Montero, and subsequently with Minister Jarpa, is, of course, a personality whom we should keep our eye on. In the business world, on the other hand, noteworthy are Jorge Fontaine, as president of the Production and Commerce Association, and Angel Fantuzzi, head of the Association of Metallurgical Manufacturers (ASIMET), who drew up repeated and harsh criticisms of the conduct of economic policy.

Press

Although he could have been placed in the previous category, the influence of Agustin Edwards is attributable, primarily, to his status as owner and manager of EL MERCURIO.

German Pico also plays an important role owing to the fact that the daily of which he is a majority stockholder, LA TERCERA, has the largest circulation in the country. And within the television stations the individuals who must be

kept in mind are Eleodoro Rodriguez and Colonel Hugo Morales, directors of the UC Television Corporation and National Television, respectively.

Politics

The name of Jorge Alessandri, key in previous years, has been so more than ever in 1983. Throughout recent months he has been truly snowed under by officials from various political camps who seek his counsel and opinion: Bernardo Leighton, General (Ret.) Roberto Viaux, Ministers Jarpa and Caceres. In addition, he has been projected through the "refloating" of the Council of State's (organization over which he used to preside) constitutional draft, and whom some view as a way out of the national crisis. Lastly, the weight of his opinion on economic matters must not be forgotten either, which he usually expresses in his annual speeches to the Papelera [Paper Mill] stockholders.

Sergio Fernandez again appears as a very important personage since because of his views he is "one of the president's men." That is how his status as director of the Independent Democratic Union and chairman of the Research Committee on Constitutional Organic Laws was recently described.

Recently other political personalities have reappeared such as Francisco Bulnes, important because of his participation in efforts to reunify the Right wing; Luis Bossay because he is an element of equilibrium within the Democratic Alliance; Pascual Barraza because he is the connection between the Communist Party and other opposition groups such as the Group of 24 or the Multipartidaria; Jaime Guzman because he is one of the main administrators in the Independent Democratic Union, and because of his significant influence on youth and his participation on the Council of Ministers; Enrique Silva Cimma, because his closeness to radical leftwing sectors threatens to break up the Alliance and because of his participation as a lawyer in the Tucapel Jimenez murder case; Gabriel Valdes, because he is president of Christian Democracy; Andres Zaldivar, because he represents another important sector of that very party and is surely a power alternative within it moreso than a leader in the worldwide CD; and Julio Stuardo, because he promises to be the individual who definitely brings about the breakup of the Democratic Alliance.

Church

Within the membership of the ecclesiastical hierarchy the only man who was unanimously considered truly a key figure as a result of his own deeds was the Archbishop of Santiago, Monseigneur Juan Francisco Fresno. He has been very important as a connection and mediator between the government and the opposition; and also because he has appealed to Chileans' good sense and for their reconciliation.

Difficult to Classify

In this category the following stand out:

The president of the Supreme Court, Rafael Retamal, who because of his meetings with officials from various sectors and because of his clearcut and at times

caustic opinions (taking the importance of the position he holds for granted), is one of the "key men" for this year.

The chairman of the Council of Ministers, Miguel Schweitzer, because he heads the organization doing research, along with the Fernandez Committee, into future political laws.

Cabinet member Pedro Ibanez, because of his role on the receiver commission of the Cruzat group enterprises and because of his influence in the Ministry of Finance, among other things.

KEY NAMES FOR 1983:

- | | |
|---------------------------------------|---------------------------------|
| 1. Jorge Alessandri | 21. Pedro Ibanez |
| 2. Colonel Jorge Ballerino | 22. Sergio Onofre Jarpa |
| 3. Pascual Barraza | 23. Felipe Lamarca |
| 4. Luis Bossay | 24. Monica Madariaga |
| 5. Francisco Bulnes S. | 25. Alfonso Marquez de la Plata |
| 6. Carlos Caceres | 26. Colonel Hugo Morales |
| 7. General Julio Canessa | 27. German Pico |
| 8. Modesto Collados | 28. Admiral Maurice Poisson |
| 9. General (Ret.) Manuel Contreras | 29. Rafael Retamal |
| 10. Sergio de Castro | 30. Eleodoro Rodriguez |
| 11. Agustin Edwards | 31. Eduardo Rios |
| 12. Hernan Felipe Errazuriz | 32. Miguel Schweitzer Speisky |
| 13. Angel Fantuzzi | 33. Miguel Schweitzer Walters |
| 14. Sergio Fernandez | 34. Rodolfo Seguel |
| 15. Luis Simon Figueroa | 35. General Santiago Sinclair |
| 16. Jorge Fontaine | 36. Enrique Silva Cimma |
| 17. Monseigneur Juan Francisco Fresno | 37. General Rodolfo Stange |
| 18. General Humberto Gordon | 38. Julio Stuardo |
| 19. General Roberto Guillard | 39. Gabriel Valdes |
| 20. Jaime Guzman | 40. Andres Zaldivar |

KEY OPINIONS:

1. Juan Pablo Cardenas
2. Emilio Filippi
3. Hermogenez Perez de Arce
4. Jose Pinera
5. Cristian Zegers

INFLUENTIAL FOREIGNERS:

1. Monseigneur Angelo Sodano, Papal Nuncio
2. James Theberge, U.S. Ambassador

FORMER KEY MEN:

- | | |
|--------------------------------------|-----------------------------------|
| 1. Ernesto Ayala | 15. Juan Carlos Mendez |
| 2. General (Ret.) Sergio Covarrubias | 16. General Enrique Montero |
| 3. Monseigneur Francisco Jose Cox | 17. General Fernando Paredes |
| 4. Manuel Cruzat | 18. Monseigneur Bernardino Pinera |
| 5. Sergio Fernandez | 19. Lucia Pinochet |
| 6. Hernol Flores | 20. Rene Rojas |
| 7. Alberto Guerrero | 21. Colonel Enrique Seguel |
| 8. Father Raul Hasbun | 22. Cardinal Raul Silva |
| 9. Tucapel Jimenez | 23. Ramon Suarez |
| 10. Rolf Luders | 24. Admiral (Ret.) Jorge Swett |
| 11. General Fernando Lyon | 25. Emilio Torres |
| 12. General Alejandro Medina | 26. Javier Vial |
| 13. Guillermo Medina | 27. Colonel Ernesto Videla |
| 14. Monseigneur Jorge Medina | |

"STABLE KEY MEN"

(7 years on the list)

1. Jorge Alessandri
2. Sergio de Castro
3. Sergio Fernandez
4. Jaime Guzman

(Disappearing from this "roll of honor": Manuel Cruzat, Javier Vial, Juan Carlos Mendez, Monseigneur Bernardino Pinera, Cardinal Raul Silva Henriquez and Jorge Switt.)

NEWCOMERS FOR 1983

- | | |
|--------------------------------------|-------------------------------|
| 1. Colonel Jorge Ballerino | 12. Colonel Hugo Morales |
| 2. Pascual Barraza | 13. Admiral Maurice Poisson |
| 3. Luis Bossay | 14. Rafael Retamal |
| 4. Francisco Bulnes S. | 15. Eduardo Rios |
| 5. Modesto Collados | 16. Miguel Schweitzer Speisky |
| 6. Angel Fantuzzi | 17. Miguel Schweitzer Walters |
| 7. Luis Simon Figueroa | 18. Rodolfo Seguel |
| 8. Monseigneur Juan Francisco Fresno | 19. Enrique Silva Cimma |
| 9. General Roberto Guillard | 20. Julio Stuardo |
| 10. Pedro Ibanez | 21. Andres Zaldivar |
| 11. Alfonso Marquez de la Plata | |

9436

CSO: 3348/11

FARC LEADER DISCUSSES POSSIBILITY OF PEACE TALKS

PA202241 Paris AFP in Spanish 0500 GMT 20 Oct 83

[Text] Bogota, 19 Oct (AFP)--The self-styled Revolutionary Forces of Colombia (pro-Soviet FARC), today confirmed the possibility of an imminent dialogue between their leader, Manuel Marulanda Velez (also known as Tirofijo) and President Belisario Betancur.

The evening television newscast revealed that a meeting between correspondent Jairo Saravia and the so-called Commander Oscar, who leads the 12th FARC front, took place "somewhere" in the middle Magdalena region in the central part of Colombia.

Considered one of the main ideologists of that group, the insurgent leader appeared on television wearing olive green fatigues similar to those worn by the regular Army. His face was covered with a hood with designs resembling the national flag and a map of Colombia with the acronyms FARC-EP (People's Army) across it, and he carried a modern rifle.

The guerrilla leader said there is unity of action between the FARC and the M-19 [19 April Movement] (nationalist, extreme right), "seeking a peaceful solution to the armed confrontation, because we are convinced there is an atmosphere conducive to national co-existence."

He therefore admitted that the two groups are seeking negotiations aimed at achieving peace, and pointed out that he is trying to set up a high-level meeting among Betancur, Tirofijo, and the M-19 high command.

He also demanded the establishment of peace in the middle Magdalena region in particular and the country in general. "This is to be achieved through a truce that will lead to a cease-fire, the demilitarization of farming areas, and the dismantling of paramilitary groups such as the MAS [Death to Kidnappers] group."

Commander Oscar pointed out that those organizations avoid clashing with the guerrillas, but they continue to "harass and persecute the civilian population, causing an exodus of peasants."

He stressed that the members of the FARC who have taken advantage of the amnesty are deserters who are following their personal instincts to solve their own problems.

In conclusion, Oscar said: "We reiterate the harmony and unity of action that prevails between the FARC and the M-19, because we believe that this is the right path to achieve peace and a democratic opening. We will continue to be united no matter what happens, and we will not abandon our objectives of dialogue and the establishment of national peace."

Oscar's statement confirms official and press reports concerning meetings between the leaders of the guerrillas and the government. These meetings were promoted by the chief of state himself, who recently met with two M-19 leaders in Madrid. Following this meeting, he revealed that contacts with this and other subversive movements would continue.

CSO: 3348/32

PEACE COMMISSION MEMBER ON MAGDALENA SITUATION

PA222128 Bogota Domestic Service in Spanish 1730 GMT 22 Oct 83

[Text] Bogota--The Peace Commission has expressed its serious objections to a report presented by (Antonio Duque), the government's high commissioner responsible for resolving the situation in the middle Magdalena area.

According to Pastor Perez, the labor sector's representative on this government-created commission, the lack of a suitable budget to carry out projects on behalf of the poorer segment of the population is one of the most serious problems to be encountered by the rehabilitation program thus far.

In a statement for this newscast, Perez stressed:

[Begin Perez recording] At its last meeting, the Peace Commission heard from High Commissioner (Duque), who was appointed by the government to assist in the middle Magdalena issue. The information received by the Peace Commission was later analyzed to determine how appropriate action, that is, steps which affect the peasants, settlers, and all the other people living in the middle Magdalena area, might be promoted and developed. In conducting this analysis, it was observed that insufficient funds have been allocated for the necessary task of rehabilitation. This money has not been provided for in the national budget, and it is very difficult to promote rehabilitation when the resources needed for that purpose have not been set aside.

In the second place, there is no real agrarian reform. The land is not being given to those who need it, and this false agrarian reform is partly to blame for the situation in the middle Magdalena area. Undoubtedly, this is a very serious problem. If left unresolved, land will remain in the hands of cattlemen and large landowners, who, in their desire to extend their holdings, often expel workers and peasants. [end recording]

Perez stressed that unless land is made available to the rural masses, there will be no improvement in the situation of those areas where armed groups currently operate.

CSO: 3348/32

GOVERNMENT PLANNING EXTENSIVE REFORM OF PORTS ENTERPRISE

Bogota EL TIEMPO in Spanish 27 Sep 83 p 12-A

[Article by Carlos Pineros]

[Text] The government is preparing an extensive reform of the Colombian Ports Enterprise (Colpuertos) as the only way to secure a foreign loan of \$85 million (7 billion pesos) that is indispensable to save it.

If an administrative and operational reform is not instituted to improve its efficiency, provide an acceptable margin of productivity, impart more reliability to the services, and rationalize the expenses and resources under its control, there will not be any money or any solution. That is the warning of a high government source, as well as the notice that the state is not inclined to let it perish without striving to rescue it.

The political decision to rehabilitate the enterprise has been made. That is why the project was included in the package of initiatives for which the government will seek financing in the Consultation Group in Paris next October.

The official intention is evinced in the manner that the new Colpuertos administrators have handled the labor conflict. The negotiations have been hard-fought in view of the fact that, according to prudent managers, benefits have exceeded the reasonable limits.

The surmounting of the difficulties will impose the need to replace the overdemanding criterion of the work sectors, which does not take into consideration the amount of revenues or the prospects of the enterprise, with a notion of equitable pay according to the job and the idea that "the goose that lays the golden eggs should not be killed."

If the government's wishes do not produce the expected results, the fate of Colpuertos will be uncertain and surely give way to private ownership of the terminals. There will be a weak spot that will shatter the notion that the government will not let it perish because it is a state enterprise, official sources noted.

In this extreme case, the public administrators will provide all facilities for entrepreneurs to avail themselves of the terminals that are essential to the normal operation of Colombian foreign trade.

The restoration of the ports depends on some one of the banks in Paris becoming interested in the project. The second step would be the reform of the enterprise because financiers will not provide funds to a concern that does not offer guarantees, and these are exemplified by efficient management and favorable productivity and performance.

Consequently, the redemption of Colpuertos depends on the workers and all the characters involved in this sector of transportation. The condition of Colpuertos does not differ much from that of other official enterprises that the government wants to strengthen.

Projects to Paris

This second report on the package of projects that the government will submit to the consideration of the Consultation Group on 18 October details the basic plans of the program after emphasizing the case of Colpuertos, "which will not be an easy matter to discuss and to promote," an official source remarked.

Agricultural and rural development projects amounting to \$522 million are being considered: irrigation districts, agrarian reform, diversification in coffee-growing areas, Cauca Valley plans, restoration of irrigation districts, agricultural and livestock marketing, projects for the Middle Magdalena, transference of technology and Sinu River development program. Another \$119 million involves work in Caqueta, reforestation, river conservation and pilot plans for the countryside.

Investments of \$770 million are being allotted in the area of transportation: development of the airport program, Medellin-Rionegro road, a broad plan of six major roads, restoration of rail lines, and restoration of roads, bridges and such. There is an additional \$50 million for similar works.

Investments of \$500 million are foreseen for communications: expansion of the telephone system in Pereira, Medellin, Cali, Cartagena and Bogota; repairs and restorations; expansion of the national direct-dialing network; and rural telephony.

Big Plans

Regarding the mining industry, CARBOCOL [Colombian Coal, Inc] stands out with its El Corregon project, north zone, at an estimated total cost of \$2.425 billion, of which \$1.514 billion are intended to be [foreign] investments.

In this instance, Colombia is asking the Consultation Group for financing of \$653 million, basically coming from commercial banks, to be disbursed between 1983 and 1986.

A project that was also added to the mining area was the construction of the Los Llanos-Barrancabermeja oil pipeline at an approximate cost of \$151

million, for which it is expected to secure financing of \$91 million from the Consultation Group. The project comprises two pipelines, one 340 kilometers long and the other 175 kilometers long. The former has a larger diameter.

Another important project of ECOPETROL [Colombian Petroleum Enterprise] is the installation of a plant to convert 40,000 barrels of fuel oil per day into gasoline and other distillates--mainly diesel oil and turbofuels. The project costs \$502 million, and financing of \$301 million is being sought.

In the energy area, there is also the hydroelectric facility of Alto Sinu, Urra I and II, a project of the Electric Corporation of the Atlantic Coast (Corelca) whose cost has been estimated at \$2.1 billion, of which it is hoped to secure \$1.2 billion in Paris. The project involves the construction of two hydroelectric plants, the first of which will have a generating capacity of 340 MW. The second one will boost the installed capacity to 860 MW.

The Guavio hydroelectric facility of the Electric Enterprise of Bogota is also being considered. The project costs \$1.357 billion, and financing of \$480 million is being sought. The project, located on the Batatas and Chivor Rivers, will initially generate 1,000 MW and increase to 1,600 MW in the end. The deal includes the equipment, the control station, the assembling and the operations station, among other things.

Farming reform, hospitals, water systems, education, secondary roads, maintenance of prudent protection for the national industry, selectivity in the procurement of foreign credit, rejection of provisions that constitute serious binds for the country, backing of foreign resources for priority works, and signing of loans under reasonable terms form part of the framework within which the discussions between Colombia and the Consultation Group will take place.

8414

CSO: 3348/10

BRIEFS

MASS GRAVE DISCOVERED--Medellin--For the first time, a common grave bearing the bodies of people who were killed in unknown circumstances was discovered today in Remedios Municipality. The grave contained 27 bodies. The discovery was confirmed by the municipal police and by the parish priest himself, who accused the National Army directly of committing the murders. Reports say that the bodies include those of women, men, and some children, many of whom lived in the area or had moved there to work in open-pit or underground gold mines. [Text] [PA211710 Bogota Cadena Radial Super in Spanish 0000 GMT 21 Oct 83]

LIBERAL PARTY CENTRAL COMMITTEE--The Central Political Committee of the Liberal Party yesterday elected its new leadership for the next 3-month period. Senator Oscar Velez Marulanda was elected president and Representative Armando Rico Avendano was elected vice president. They replace Senator Jose Fernando Botero and Representative Horacio Serpa Uribe. [Summary] [Bogota EL TIEMPO in Spanish 19 Oct 83 p 6-A PA]

NEW NAVAL BASE--Bogota--The naval base on the Pacific, which will be built by Sweden at a cost of \$150 million, will begin operations before 1986. The government has entrusted Defense Minister General Fernando Landazabal Reyes with holding preliminary talks on the work's financing and consultation. The naval base on the Pacific will be located at Malaga Bay, 18 km from Buenaventura, and will represent the main bulwark of Colombian sovereignty in the Pacific. A 70-man team has begun land-clearing operations in a 70-hectare area. [Text] [PA261559 Bogota Emisoras CAROCOL Network in Spanish 1215 GMT 26 Oct 83]

PRAGUE, MOSCOW TRADE OFFICES--The Colombian Government has initiated a trade offensive directed toward the markets of socialist nations and has announced the opening of two new trade promotion offices in Moscow and Prague. The Proexpo [Export Promotion Fund] offices in Moscow and Prague are designed to cover the markets of the eight principal socialist nations. Jorge de la Mora will be in charge of the Moscow office, and Dario Jaramillo will head the Prague office. [Excerpts] [Bogota EL ESPECTADOR in Spanish 6 Oct 83 p 8A PA]

AGREEMENTS WITH ISRAEL--Bogota--Enrique (?Bermudez), manager of CARBOCOL [Colombian Coal Incorporated] has returned from Tel Aviv and has reported that Colombia will fill Israel's coal needs in 1986. He noted that a letter of intent, which will become an agreement within 1 year, was signed for the coal sales. He also laid the groundwork for an agreement through which Israel will give technical assistance to Colombia in a vast program of agricultural development and cooperative production in Guajira department. [Summary] [Bogota Domestic Service in Spanish 1730 GMT 3 Oct 83 PA]

VENEZUELAN BORDER TRADE--Rodrigo Marin Bernal, Colombian minister of economic development, has announced that 2 billion pesos in credits will be allotted to the trade sector in the border zone with Venezuela. This will help those persons affected by the decrease in the value of the Venezuelan bolivar. [Summary] [Bogota EL SIGLO in Spanish 2 Oct 83 p 1 PA]

COFFEE PRICE--Bogota--Hernan Guido Londono, acting manager of the National Federation of Coffeegrowers, has announced that the new international coffee agreement guarantees Colombia price stability. The current price will be maintained at a minimum of \$1.20 and maximum \$1.40 per pound. [Summary] [Bogota Emisoras CARACOL Network in Spanish 1215 GMT 4 Oct 83 PA]

PAYMENTS ON COFFEE EXPORTS--Payments for coffee exports during the first 7 months of 1983 totalled \$829 million, compared to \$791 million during the corresponding period of 1982. [Excerpt] [Bogota EL SIGLO in Spanish 15 Oct 83 p 13 PA]

COAL EXPORTS--Bogota, 21 Oct (AFP)--The Colombian Coal Enterprise has announced that Colombia will export 20,000 tons of coal to Puerto Rico worth \$900 million. The first shipment was made in early October. [Summary] [Paris AFP in Spanish 1537 GMT 21 Oct 83 PA]

CSO: 3348/32

U.S. MILITARY IN CENTRAL AMERICA SEEN AS RE-ELECTION PLOY

Havana VERDE OLIVO in Spanish 8 Sep 83 pp 4-5

[Article by Elpidio Valdivia: "In Search of the U.S. 'Falklands'?"]

[Text] One of the objectives that the Reagan administration seems to pursue in Central America is to win a similar trophy to the one the British Government of Margaret Thatcher won in the Falkland Islands.

Therefore, the present team in the White House might try to execute a double play: spectacularly carry out its proclaimed line of containment of the revolutionary movement in the area and put the winning trick in the hands of the U.S. president for his reelection in 1984.

A few days ago, those reelection aspirations were clearly revealed when the president's advisers announced their intention to create a campaign fund committee in the middle of October for next year's election campaign.

Some observers recalled the relative similarity between the situation Reagan faces and the situation of the British prime minister before the outcome of events in the Falkland Islands.

On one side, there is the difficult economic situation with its harmful effects of high budget deficits, high bank interests and high unemployment, elements that tend to erode those in government.

On the other side, there is the existence of a talked-about external conflict that they distort before the people to try to identify it with national security and dignity, seeking an alignment that favors the government's position.

The Spanish magazine CAMBIO-16 recently analyzed Margaret Thatcher's latest electoral victory. It said that 60 percent of the British feel that unemployment will continue rising during the second term of the Iron Maiden.

Then that magazine asked: What attraction does Mrs Thatcher have for the British to renew her mandate?

The magazine answered that the success that the British applaud with greatest fervor is the Falkland Islands war. It added: "According to a very recent

survey, about 51 percent of them think that the prime minister's actions in the conflict were correct and about 46 percent admire her leadership although only about 31 percent openly praise her economic policy."

This British experience did not go unnoticed by the more conservative sectors of U.S. society. In recent times, they have not hidden their intention to advocate a military adventure in Central America.

The Spanish press agency EFE reported from Washington that "the far right in the United States, with anticommunism as its flag, is ready to launch a campaign that will go far beyond the 'hard line' Ronald Reagan's government imposed in its Central American policy."

The newspaper WASHINGTON POST commented that the far right feels that this war-mongering campaign will influence the 1984 elections as similar actions increased attention on the Panama Canal Treaty in 1978 and led to the nonratification of the SALT-2 Treaty with the Soviet Union in 1980.

According to Paul Weyrich, chairman of the New Right Committee for a Free Congress, the main focus of that next national crusade will be that U.S. interests "prohibit" any new progress by the left in Central America.

On the other hand, Peter Gemma, the head of the Foreign Policy Forum, said that they consider any real negotiations with the left in the area "treason."

This forum includes personages from the academic, economic, social and political world and, as Gemma himself defines it, is a type of conservative Trilateral.

EFE indicated that the U.S. far right--out of whose ranks came Ronald Reagan--is mainly tied to large U.S. enterprises with interests in Latin America. Its objective will be to convince the public of the "necessary open support" to the Nicaraguan counterrevolution.

Howard Phillips, head of the National Conservative Association, openly stated last 22 August that Reagan must focus his government's action on direct military intervention in Central America.

Other sources recalled that far rightist entities like the Heritage Foundation or the American Enterprise Institute regularly circulate within the government ideas and proposals to harden the White House's stand toward Central America.

Along with all this, the conservative Union of War Veterans is collecting funds to strengthen CIA support to the counterrevolutionary bands that operate in Nicaraguan territory.

In the middle of August, White House spokesman Larry Speakes told reporters that President Reagan would not oppose that public collection of money to attack the Sandinists.

At the end of July, the American House of Representatives passed a bill to suspend CIA covert aid to these subversive groups. This bill has little support in the Senate which the Republicans control.

At about the same time, the newspaper WALL STREET JOURNAL--mouthpiece of the highest U.S. financial interests--praised the displacement of U.S. warships off the Central American coasts and demanded even more belligerent action in Central America.

The WALL STREET JOURNAL said: "What Mr Reagan needs to do is challenge the myths of the left, especially the myths about the opinion of the electorate about the way to prevent war."

The steps and the intention demonstrated by the government in the White House substantially agree with the demands of these ultraconservative forces and interests in the United States.

An editorial in the Spanish newspaper LA VANGUARDIA said that the concentration of naval units in Central America and the Caribbean is a notice from Reagan placing him "in an obvious situation of advantage" in the area.

The newspaper added that the U.S. naval fleet is giving "a spectacular demonstration of its power" in this area.

The editorial concluded that it is clear that the movements of these 43 ships of the U.S. fleet "do not correspond to training needs but to an explicit political determination by Washington."

The controversial U.S. delegate to the United Nations, Jeanne Kirkpatrick, recognized this earlier when, on 17 August, she told the French newspaper LE FIGARO that "military problems must be resolved militarily" in Central America.

Kirkpatrick also stated that, in that region, "the factor that predominates for us is security." She added that "it is a zone that directly affects our national security" and that "it is not a matter of ideology but geography."

The real intentions of the team that controls the executive branch in the United States were denounced recently by Wayne Smith who headed the U.S. Interest Section in Havana.

In an article published in the newspaper CHRISTIAN SCIENCE MONITOR, Smith stated that the appointments of Richard Stone as special envoy to Central America and Henry Kissinger to head a study commission "were public relations stratagems" to win over public opinion.

He added that the administration's public support for the Contadora initiative "conforms with its past history of saying one thing and then doing exactly the opposite."

Last, Wayne Smith expressed skepticism that the White House "could be induced to consider serious negotiations."

According to the latest evaluations from the United States, the burning Central American question is one of the elements that will greatly influence the elections in November 1984.

With an economic situation that is difficult now and is uncertain and filled with question marks for the coming year, the idea of appealing to a Falkland Islands type of alternative in Central America could well be suggested by those who want to insure Ronald Reagan's reelection.

The difference is that the U.S. people have not forgotten the bitter experience of Vietnam, a feeling that is reflected in the result of surveys and was made felt a little more than a week ago in the impressive "March on Washington."

Also military intervention at any point in Central America or the Caribbean would be politically expensive for the United States in the international arena since the majority of public opinion in Latin America, Western Europe and other parts of the world is against such a contingency.

The peoples attacked would always have the supreme recourse of resisting and fighting for an indefinite time, aware that--as Fidel Castro indicated last 26 July--no nation has the right to freedom if it is not capable of defending it itself, aware that truly revolutionary and patriotic peoples can be wiped from the surface of the earth but never conquered.

7717

CS0: 3248/83

U.S. MILITARY PRESENCE IN PUERTO RICO CRITICIZED

Havana GRANMA WEEKLY REVIEW in English 25 Sep 83 p 10

[Commentary by Oscar Ferrer: "Militarization and Independence"]

[Text]

EVER SINCE 1898 Puerto Rico has endured the colonial yoke imposed by the United States. It was in that year that the United States invaded the island to replace Spanish rule. For 85 years now, the imperialist government of the United States has tried to change the national awareness of Puerto Ricans and wipe out their culture. It has forced hundreds of thousands of Puerto Rican citizens to flee their nation in search of jobs and to have U.S. citizenship imposed on them. It has economically wrecked the country of Hostos, Betances and Aibiza Campos and turned it into a military base at the service of Washington's warmongering plans.

But the Puerto Rican people have not given up their hopes to win independence and self-determination, and for this they can count on the broad support of the international community, as attested by the resolutions of the UN Committee on Decolonization which has reiteratedly condemned U.S. colonial domination over Puerto Rico.

Last August 24, this UN Committee adopted a resolution condemning U.S. colonial policy on Puerto Rico and the growing militarization of this Caribbean island.

The text of the resolution approved by the Committee — sponsored by Cuba, Afghanistan and Syria — again stated that Puerto Rico has the right to be granted self-determination and independence, in accordance with Resolution 1514 of the UN General Assembly.

The document also demanded that the United States take all necessary steps for the full and effective transfer of powers to the Puerto Rican people.

The resolution touched on a subject of current interest on deploring the declarations and decisions of the government of the United States concerning the expansion and strengthening of its military installations in Puerto Rico and the establishment of new industrial facilities and plants directly linked to the U.S. military-industrial complex.

The current U.S. military plans in Puerto Rico include the growing militarization of the U.S. National Guard on Puerto Rican soil and its participation in the military maneuvers staged by Washington in Central America.

It has been publicly denounced that the United States is planning to turn its military bases in Puerto Rico into a vital center for naval operations if war breaks out in the current Central American conflict.

The growing U.S.-imposed militarization of Puerto Rico is also evidenced by the stepped-up operations of the U.S. navy, the disclosure of chemical warfare research secretly carried out in El Yunque and the intention to increasingly involve Puerto Rico in Reagan's interventionist strategy for Central America and the Caribbean.

In this context, recent disclosures point to the Pentagon's plans to turn the Punta Borinquen Base into an important bastion for the so-called strategic transit zone regarding all traffic to and from Europe, Africa and the Middle East.

Pentagon papers quoted last May in the U.S. Congress during a forum held on the crisis of colonialism in Puerto Rico revealed that the

Punta Borinquen Base may be turned into "an important link" for defending U.S. strategic interests in the Caribbean, Central America and Latin America.

U.S. military presence in Puerto Rico is growing steadily, to the extent that today 14 percent of the territory of that island is occupied by bases and facilities of various kinds belonging to the armed forces of the United States.

Considering the importance that the Reagan administration attaches to Central America and the widespread interventionist operations of the U.S. military in the region, it must be concluded that the reactivated U.S. military presence in Puerto Rico is nothing more than preparations being made to establish a starting point for Washington's future punitive operations against the Central American and Caribbean peoples.

That is why the independence of Puerto Rico is nowadays not just of national interest to its citizens but also an essential element to preserve the independence and sovereignty of other peoples in the region.

Last century, Cuba's National Hero José Martí sought the independence of Puerto Rico with the same zeal as all his compatriots sought theirs. That same principle is borne very much in mind today by our people in expressing their solidarity with the Puerto Rican people in their hard struggle towards independence.

CSO: 3200/2

FMLN MAINTAINING MILITARY INITIATIVE IN EL SALVADOR

Havana GRANMA in Spanish 20 Sep 83 p 6

[Commentary by Orestes Valera: "El Salvador: Who Is Winning the War?"]

[Text] Who is winning the war in El Salvador? Who holds the initiative in the theater of operations?

If we heed the almost daily statements by the so-called "president" of the republic, Alvaro Magana, the "strong man" and true power lord, Gen Eugenio Vides Casanova, and even the Yankee assistant defense secretary, Fred Ikle, the guerrilla movement does not have the support of the people.

They state that they can even hold elections, not this year as they had announced but in 1984. More than \$6 million have been invested for that and a U.S. firm is preparing the "electoral miracle."

They say that they have nothing to talk about or negotiate with the guerrillas. From Magana's mouth, it was learned that they will not share the government with "terrorists and subversives" and that the Salvadorans have to solve their own problems themselves. A word to the wise: the Salvadoran peace commission and the Contadora Group have nothing to do with peace in that Central American country.

The FMLN [Farabundo Marti National Liberation Front] stated that, without even using all its forces, it has been able to hinder, delay or obstruct the plans of the Army. However, the FMLN added that the Army, the U.S. advisers and Magana's government want to win the war with a propaganda offensive and victory. This is only managing to make fools of them when facts obviously demonstrate the opposite.

The FMLN has expanded its areas of control and has recovered thousands of weapons of every type. Recently it created a new group of battalions in the Rafael Arce Zablah Brigade. In addition to the infantry battalions, it has a new battalion of support weapons and another new unit of special forces. This has multiplied its forces, its firepower and the quality of its soldiers, according to Joaquin Villalobos in a communique from the General Command of the Francisco Sanchez Eastern Front. This communique was read on Radio Venceremos to announce the beginning of the "Independence, Freedom and Democracy for El

Salvador" military campaign with the attack on the major city of San Miguel last 3 September.

The barracks in this city, the headquarters of the Third Infantry Brigade of the Army, is the largest and most important garrison in the country. It houses two infantry battalions and a special battalion, totaling more than 2,000 men. Its equipment includes four small tanks, two tanks, two artillery batteries with five 105 mm howitzers, an antiaircraft battery and two helicopters. It is the base of operations for U.S. advisers in the eastern part of the country. All the war materiel for the Army forces in eastern El Salvador is concentrated there.

The FMLN, in its largest artillery attack against an enemy position, fired 7,000 pounds of 81 mm and 120 mm projectiles at the San Miguel barracks.

That guerrilla operation destroyed one small tank, one armored car, three gasoline stations, one electricity substation, the bus terminal, the offices of ANTEL [National Administration for Telecommunications] (the telecommunications institution), two coffee processing plants, the barracks of the Treasury Police and three bridges including two classified among the six most important bridges in the country.

The barracks for two companies of the Third Brigade, the operations building, the club, an administrative building, the general staff building and the residence of Major Benavides were also destroyed.

The Army had 300 casualties counting dead and wounded. There was an unknown number of prisoners and many soldiers deserted during the attack which lasted from 2300 hours on 3 September until 1800 hours on 4 September. Surprise kept the enemy from answering the attack and reinforcements sent from the departments of La Union and San Vicente were detained on the road by the FMLN.

Along with this victorious action of the FMLN, there were also actions in San Vicente, Chalatenango, Morazan, Cerro Cacahuatique, Guazapa and other parts of El Salvador.

According to the Salvadoran Ministry of Defense itself, the Army suffered more than 11,000 casualties from July 1981 to August 1983. At the same time, the government of Ronald Reagan has been supplying about \$1 million a day to the genocidal regime of Alvaro Magana and Vides Casanova.

The regime, propped up financially and militarily by the Yankee administration, staggers more each day facing the victorious drive of the FMLN which has the support of the immense majority of the Salvadoran people.

This popular support permits the FMLN to hold the initiative and to be winning the war in El Salvador.

7717

CSO: 3248/82

WAYS TO IMPROVE FAR EMULATION SYSTEM DESCRIBED

Havana VERDE OLIVO in Spanish 8 Sep 83 pp 12-13

[Text] Coinciding with the beginning of the new instruction period, the Central Political Directorate of the FAR has issued some guidelines for the development of the special emulation for the 30th anniversary of the attack on Moncada Barracks and the 25th anniversary of the triumph of the revolution.

These are provisional guidelines for the special period of combat and political training that began 1 September since the study on perfecting the emulation system in the FAR is not finished.

Our experience in military construction and strengthening the FAR has demonstrated that the socialist emulation is an appropriate way to insure the successful fulfillment of the missions assigned to the units. It is also the driving force that mobilizes the personnel toward the development of a conscientious and determined attitude in the performance of their obligations.

The socialist emulation is a formidable instrument for the chiefs, political organisms (systems), organizations of the party and the UJC [Union of Communist Youth] to support and develop the initiatives of the personnel in order to increase the levels of combat and political training, develop professional mastery, improve the knowledge of each specialist, increase vigilance in the combat guard and military service, insure the fulfillment of the orders of the day and the interior order of the units and strengthen the single command and conscious military discipline.

As Vladimir Ilyich Lenin correctly pointed out, socialism creates the conditions so that the emulation has a broad and massive nature and can "really make the majority of the workers enter the arena of an activity that permits them to demonstrate their value in everything, develop their abilities and reveal the talents that are an inexhaustible spring in the people."

Lenin also indicated that in order for these objectives to be fully achieved, it is necessary to organize the emulation through the basic principles that govern it and "to fight every tendency to create stereotypical forms or to establish uniformity from above" which "have nothing to do with democratic and socialist centralism."

Some experiences in the medium-sized and small units reveal certain organizational defects in the socialist emulation in the FAR. Their negative results could dull its force as a means to obtain superior results in combat and mobilizational readiness and in the instruction process.

The new provisional guidelines propose to make the emulation a more dynamic instrument, eliminating any type of formality or dual control, achieve close correspondence with the final results of combat and political training and strengthen the role of the chief as the main organizer and person responsible for all the activities of the military collective.

Different than before, it will not be necessary to make individual or collective commitments in the small units during this special period of combat and political training since those contracted within the framework of the special emulation dedicated to the 30th anniversary of Moncada and the 25th anniversary of the triumph of the revolution will be considered valid.

However, the document explains that these units will be able to make specific collective commitments in combat training activities such as maneuvers, firing exercises, training, etc.

This does not negate the need for the chiefs and their alternates for political work to hold meetings at the beginning of the instruction period with all the personnel in the company or equivalent small unit to explain the new modalities of the emulation in detail. In this meeting, it must remain clear that in order to be named distinguished individually or collectively, an average rating of **/good/** [in boldface] in all subjects under combat and political training as well as **/satisfactory/** [in boldface] in combat and mobilizational readiness must be achieved.

In the large units, fulfillment of the commitments made for the special emulation will also be considered.

Two important aspects in the organization of the emulation are the evaluation system and control of the results achieved.

With respect to the evaluation system, the guidelines of the Central Political Directorate emphasize that the evaluations will coincide with the partial and final summaries of combat and political training based on the individual and collective results achieved in each stage that is analyzed.

Based on the plans for each command or type of armed force and the different levels (from the small unit to the superior command), the chiefs and their alternates for political work have the responsibility of analyzing who or which collective is distinguished or a vanguard. At the same time, they will examine how the main tasks corresponding to that phase or period of instruction have been carried out.

This activity should be simple, devoid of any bureaucratic formality that delays or hinders learning the concrete results of combat and political training, a basic task of our FAR in peacetime.

It is equally important to understand that there must be constant, permanent supervision of the emulation in all the activities by all the chiefs and officers participating in it to verify the instruction process at the different levels.

In supervising the results of his collective, the chief of the small unit, for example, has no reason to make this complicated or create complex graphics systems that take his time away from the main tasks.

The names of the distinguished and vanguards can be inscribed in the personnel notebook or in another document determined by the chief's initiative. A simple analysis should permit him to quickly make an evaluation of the results achieved and take measures to improve them.

The plans drawn up to guarantee the development of the emulation are also of great interest. It is established that those plans are approved by the chief who draws them up. They must be his, eliminating any other information given in the directive and effective guidelines.

These plans must include the deadlines for the evaluation, its participants, incentives that will be presented, propaganda and agitation tasks, publicity on the distinguished and vanguards as well as their experiences, etc.

In order to make the emulation more effective, publicity on the experiences of the vanguard and the participants in the greatest successes, both individual and collective, must be emphasized.

Therefore, in addition to using murals and other forms of mass agitation, it is recommended that the propaganda on the vanguards be tied to the use of the chiefs' prerogatives to present material and moral incentives in the presence of all the personnel in the small units.

An interesting experiment is being tried by some company (battery) chiefs who use the method of holding the instruction summaries with all the trained personnel. After announcing the distinguished and vanguard members, they inform them of the number of days of leave that have been earned as a result of their conduct. The applause and congratulations that they receive also constitute a good opportunity to spread their example and exhort others to imitate them.

The FAR Regulations and the best experiences of political and party work in the troops provide the chiefs, their alternates for political work and the organizations of the party and the UJC with a valuable arsenal of resources for material and moral incentives for those who distinguish themselves in the fulfillment of their military, political and social obligations.

Different forms of publicity and incentives for the vanguards include: an exhibit of photographs of the vanguards in each period on walls, Lenin-Marti rooms and regimental clubs; presentation of material incentives; granting additional passes; communication to their relatives and neighbors of the distinguished behavior of soldiers, sergeants and officers; and the organization of special recreation programs.

The guidelines of the Central Political Directorate assign a special role to the organizations of the party and the UJC. With the chiefs and political organisms (systems), they "will promote and improve the initiatives that help develop the emulation activities, systematically publicizing the results achieved and the exemplary conduct of the distinguished and vanguards."

It should be recalled that the regulations of the base party organizations in the FAR state that the cells must "participate with the chiefs and alternates for political work in the organization and development of the socialist emulation, support and develop the initiatives of the personnel and use the strength of the collective in all the work."

For the emulation to have an effect as a mobilizational instrument of the enthusiasm of the personnel, the organizations of the party and the UJC must be very careful that certain traditional habits do not permeate it with formalities, superficiality and bureaucracy.

The members and their organizations have the task of explaining to the personnel the new characteristics of the emulation, helping them fulfill their military, labor and social duties, helping create a favorable state of mind and confidence in the possibilities of each one to carry out the commitments, helping the chiefs and demanding that the evaluations be held with quality and the indicated regularity and promoting new initiatives to publicize and stimulate the soldiers, sergeants and officers who distinguish themselves.

All the above means that putting the new guidelines for the organization and development of the socialist emulation into practice is an attempt to continue enriching the objective experience accumulated by the chiefs, political organisms (systems) and organizations of the party and the UJC.

To contribute to its correct application in the troops and military training centers, to observe the fulfillment of the principles of the socialist emulation and to extract new experiences for analysis and future implementation are very important in order to increase the effectiveness of ideological work in the FAR.

7717

CSO: 3248/84

SITE OF NICKEL COMPLEX READIED FOR CONSTRUCTION

Havana GRANMA WEEKLY REVIEW in English 25 Sep 83 p 5

[Article by Alexis Rojas Aguilera]

[Excerpt]

EARTH-MOVING operations for the construction of a huge new nickel complex are under way at Las Camariocas, in the eastern province of Holguin. An example of beneficial economic relations between the socialist countries belonging to the Council for Mutual Economic Assistance (CMEA), this project is the product of a 1975 general agreement whereby the Soviet Union, the German Democratic Republic, the Socialist Republic of Czechoslovakia, the People's Republic of Bulgaria, the Socialist Republic of Rumania, the People's Republic of Hungary and Cuba agreed to pool efforts in building a new nickel concentrates plant in Cuba.

This was how one of Cuba's five largest current construction projects started, in line with the production specialization policy followed by CMEA member countries. When completed, this new plant — which is located in Quema del Negro on what will be the Moa-Baracoa coastal road — will have an annual output capacity of 30 000 tons of nickel concentrates.

In construction area, total investment, blueprints, supplies and technology, this project is similar to that currently being built at Punta Gorda, some four kilometers from the small mining town of Moa.

Mario Cabello Marante, the leading engineer on the project that is also known as CMEA-1, spoke of how the plant attested to the kind of economic relations existing between socialist countries, conceived as it was in such a way

as to be of substantial benefit to our country and all other countries that are party to the agreement, according to the extent of the participation of each. Interest rates and repayment conditions are set very low, as befits the friendly internationalist cooperation sought by the socialist countries.

Engineer Cabello explained that the final blueprints are now being drawn up, some of its parts being ready to enter the construction phase. Under this CMEA project, Cuba undertook full technical responsibility and commissioned the services of the Gipro-nickel Institute of the Soviet Union for the main project design, given the experience it has in the field. Gipro-nickel was also commissioned for the blueprints on social, administrative and other buildings in accordance with our country's realities and needs.

Plant equipment and supplies are provided for in line with the possibilities open to the CMEA and developmental factors in each of the participant countries.

"During the preparatory stage," Cabello said, "a lot of effort has gone into creating the basic groundworks for the project. This has included the construction of related works, like the Nuevo Mundo reservoir, with a storage capacity of 141 million cubic meters, plus bridges, roads and warehouses. This will facilitate the handling of supplies coming into Moa over 1984 and part of 1985, whether they are supplies that can be stored in the open or need to be undercover or even in special temperatures. Work continues with a view to guaranteeing efficient storage

of supplies. We have similarly set up the administrative and technical structure to insure project fulfillment. Part of the personnel has already been trained, and further training programs are under way both for plant construction and operation when the plant opens in the next five years."

Las Camariocas nickel plant was named after the lateritic, ferrous nickel deposits located southwest of Quema del Negro, in the Sagua-Baracoa mountain range. Technically speaking, this ammonium carbonate-type plant is similar to the Comandante René Ramos Latour plant in Nicaro and the Punta Gorda plant. Its new design, however, will make it that much more efficient from an operational, technical and productive standpoint.

Between workers, intermediate-level and skilled technicians, and service and administrative staff, the new plant will have a work force of over 6000, mostly from the neighboring province of Guantánamo.

According to engineer Mario Cabello, the plant that is going up on what is today a hill will have nine construction levels. The earth-moving

operations are perhaps the largest and most complex yet to be carried out in Cuba. Major studies were undertaken to determine the best plant location before starting earth-moving operations, so as not to affect the region's mineral reserves and other project requirements. It is estimated that over ten million cubic meters of earth will be moved in all before plant construction can begin.

At the 1.6 square kilometers covered by the nickel plant site, it will be necessary to mix more than 300 000 cubic meters of concrete and assemble 57 000 tons of metal structures, 60 000 tons of equipment, 11 000 tons of tubes, among other things. A five-kilometer-long conveyor belt will transport the mineral from the deposit to the drying and milling area of the mine complex. The belt will be of more modern design than those in Nicaro and Punta Gorda.

A new mining town will be built at El Cupey for the workers operating plant, mines, equipment and systems of this complex. El Cupey (about five kilometers from Quema del Negro) will have all modern conveniences. Two hundred dwellings will be built initially.

CSO: 3200/2

PENA GOMEZ DECIDES TO RESIGN AS PRD SECRETARY GENERAL

Santo Domingo LISTIN DIARIO in Spanish 24 Sep 83 pp 1, 15

[Text] Dr Jose Francisco Pena Gomez said yesterday that his decision to resign as secretary general of the Dominican Revolutionary Party (PRD) is irrevocable. He also noted that all the other members of that political organization's political commission and district committee will also have to give up their leadership positions.

According to the PRD leader, his proposals imply far-reaching changes in the PRD, inasmuch as he has asked for the resignation of the political commission.

He added that this means his own resignation, that of the president of the party, the undersecretaries general, the vice secretaries general, vice presidents and all men now in leadership positions in the party.

Pena Gomez pointed out that all leaders will continue to be members of the PRD but that they will lose their key leadership posts in the party which they now hold.

The head of the national district and secretary general of the PRD said that yesterday he would draft his letter of resignation from the office of secretary general and present it to the National Executive Committee.

He also said that he proposes to expand his proposal for reforms and changes in the Dominican Revolutionary Party.

In response to a question, Pena Gomez emphasized that his decision to resign as secretary general of the PRD is final.

At the same time, he said that he is using his resignation to bring about the changes he believes the party needs.

Pena Gomez referred to the petition formulated by Angel Miolan for the resignation of the National Executive Committee of the PRD and he said that it would not work because it is a very cumbersome organization and that is not so much where the problem lies as it is the political commission.

However, he said that his own proposal does somewhat signify partial acceptance of the opinions of Miolan in the sense that the PRD needs a shakeup and that the current leaders must be changed, except for a few who might be fit to continue.

Among those leaders who could continue in office, Pena Gomez mentioned Vicente Sanchez Baret, who he said is now reorganizing the party in Santiago and who is very skillful and has time to work.

"But," the PRD leader exclaimed, "I believe that the entire leadership of the party must be changed as expressed in the political commission, with three vice presidents, two undersecretaries general, a president, a secretary general and other leaders as members of departments and political secretaries."

Balaguer

Pena Gomez also referred to the opinion expressed by former President Joaquin Balaguer to the effect that there must be a stop to the fight between the government and the PRD because it represents a danger to the nation's integrity.

The secretary general of the PRD said that Balaguer "is a very skillful old man who knows what he is talking about."

He indicated that the Reformist leader is aware that a situation such as the current one is dangerous for the country.

Nevertheless, Pena Gomez said that Balaguer "must be rubbing his hands together" in delight over the crisis in the PRD.

Pena Gomez believes that the president of the Reformist Party is speaking out on the matter so that PRD members will feel freer to attack one another.

"Basically, Dr Balaguer must be rubbing his hands together because he is the one who benefits the most."

Pena Gomez denied he had any interest in becoming president of the PRD. "At the present time, I am not interested in the presidency of the party or any other post. What I want to do is work here (City Hall) and in the country, on behalf of the Dominican people."

After pointing out that he is interested in no post, the PRD leader said that what he did want was for the party to be unified.

Hatuey Decamps

In another connection, Pena Gomez said that Hatuey Decamps had made brash remarks about him.

However, he noted that he would not fight with the young political leader and high government official.

"Despite the criticism which I did make, Hatuey is my spiritual son, my disciple," he said.

He recalled that Decamps became a leader of the PRD when he was no more than a "child, a little boy."

He added that Hatuey Decamps is a leader trained at his side, just as Winston Arnaud was.

Pena Gomez said that what he wants to do is protect Decamps. "I think that Hatuey does not realize what is happening and is paying heavily for it. He has served as a lightning rod for the government and the curses of all those dissatisfied with the government rain down on him. His situation is difficult," Pena Gomez said.

Finally, he said that Hatuey Decamps "has to go back to working for the party and regain the strength he has always had."

After noting that he thinks he is doing Hatuey Decamps a favor in waking him up to reality, Pena Gomez said that the young PRD leader "has to refrain from the constant controversies and his pugnacity."

Pena Gomez said that he has great esteem for Decamps and that many years ago, he thought that the person to replace him as secretary general of the PRD would be Hatuey.

11,464

CSO: 3248/75

CGT EXPERIENCES INTERNAL POWER STRUGGLE

Factions Give Economic Reasons

Santo Domingo EL NACIONAL in Spanish 29 Sep 83 p 11

[Article by Manuel Torres]

[Text] The crisis affecting the General Workers Federation (CGT), controlled by the extreme Left, does not have its origin only in political sectarianism. Two factions are fighting for control of the labor union and both accuse each other of seeking economic advantages and other benefits.

The conflict, which began some 3 months ago, has become publicly conspicuous these past few weeks, but it came to a head last Saturday when an advisory meeting held at the Mauricio Baez Club was violently broken up, resulting in injuries suffered by several persons.

The conflicting factions accuse one another of making use of funds handled monthly by the labor union, which at present has \$103,000 in foreign banks and over \$200,000 in this country's different banking institutions.

While the factions "trust" that the conflict will be resolved at the Third Congress, which is to be held between 1 and 4 December next, because each of them is sure of its victory, persons we have consulted state with certainty that the CGT will be divided or disappear.

One of the conflicting factions is headed by Julio de Pena Valdez and Francisco Antonio Santos, the secretary general and organizational secretary respectively, and the other by Fernando de la Rosa and Nercida Marmolejos.

The de la Rosa faction has attached the CGT bank account, which according to the faction amounts to 270,000 pesos, while Valdez disputed the validity of blocking those funds and pointed out that they amounted to 150,000 pesos.

In separate interviews with leaders of both factions it became obvious that the struggle is rooted in the soft jobs that can be obtained from the organization's top leaders, but with economic factors always being foremost.

According to Eugenio Perez Cepeda, interviewed yesterday by EL NACIONAL, the de la Rosa faction claims that de Pena Valdez "has violated the bylaws and has committed irregularities in the handling of the organization's funds."

On the other hand, de Pena Valdez, who is also leveling similar charges against his opponents, in like manner relies on the fact that the "bylaws of the labor organization have been violated."

De Pena Valdez accuses the opposing faction of wanting to deliver the CGT to the Dominican Liberation Party (PLD), while Perez Cepeda and his people link their rivals with the "Left Front" and especially with the Dominican Workers Party (PTD).

The blocking of CGT funds was ordered by Perez Cepeda and Jose Antonio Hallal, organization auditors, but did not have the approval of the other colleague, Isabel Tejada, who, according to them, belongs to the de Pena Valdez faction.

Experts who have been consulted agree that, "considered to be the country's most powerful labor union, the CGT can only with difficulty keep itself from being divided because the [opposing] interests are irreconcilable."

And they felt that a split within the CGT would be "a severe blow to the Dominican labor movement because that federation has the largest number of local unions and workers."

The de la Rosa faction says that it controls 20 local unions in the regional CGT of the capital district alone and claims that in most of the country they are certain of its victory at the Third Congress, while de Pena Valdez claims that his faction controls most of the rank and file, which is why his faction will capture the national leadership.

According to information that has been provided, the labor federation at present has about 55,000 worker members in its unions, 3,500 of whom are in the capital district.

Both Perez Cepeda and de Pena Valdez agree that the funds the organization has were acquired through the payment of member dues and aid from international institutions.

According to our information, these funds are in part destined for the construction of the CGT school and in part for the strengthening of the worker movement, education and organization.

De Pena Valdez reported that the \$103,000 deposited in current accounts in a Puerto Rican bank were donated by Dutch and Swedish worker organizations which he did not identify.

He also noted that, since the administrations of Dr Joaquin Balaguer, the money obtained through donations has been deposited in that country to avoid any unforeseen situation and that the government was trying to take possession of those funds.

He also pointed out that the current account in Puerto Rico is in the name of Nercida Marmolejos because she was the CGT financial secretary up until 1981.

The secretary general of the CGT explained that, regardless of the wages they may earn, workers pay 1 peso each to their unions, the latter provide the federation with 30 percent of that and the federation provides the CGT with 30 percent of what is collected or approved by the national board.

He noted that the de Pena Valdez faction has accused Mrs Marmolejos of refusing to turn over the \$103,000 deposited in Puerto Rico, because "the only thing that was alleged was: Why bring the money in if there are 270,000 pesos in different banks in this country?"

Perez Cepeda defended Mrs Marmolejos' honesty and pointed out that she has "handled over 3 million pesos and no one, absolutely no one, can say that she has misappropriated them; quite the contrary, she has always opposed any fraudulent operation."

Referring to the irregularities, he noted that the CGT budget amounts to 108,872.02 pesos "and yet de Pena Valdez has in most cases violated those rules."

He reminded us that almost every month 400 pesos are spent on fuel for a diesel-operated vehicle for which 175 pesos are allotted and it is "a rare month when they do not have to spend a lot of money on repairs; in fact on some occasions they have amounted to 700 pesos, and all this has been done without the approval of the national board."

Perez Cepeda informed us that de Pena Valdez makes many trips abroad every year and the expenses the CGT has to cover are "numerous and without the approval of the national board."

He told us that the conflict originated during the Second Congress when "our Mauricio Baez slate alone won four seats on the national board and yet we work for the CGT, not for a given group."

The Mauricio Baez slate was headed by de la Rosa, Perez Cepeda, Marmolejos and others who are currently members of the faction opposing de Pena Valdez. The Guido Gil slate, headed by de Pena Valdez and Francisco Antonio Santos, won.

Perez Cepeda noted that, "as of that moment, we began to organize workers to increase our strength within the federation; moreover, at that time the regional CGT in the National District had only eight unions while today it has 20 and at the national level we have 70 percent of the workers, which has enabled us to increase our representation to nine members on the national board, the fruit of organizational work."

He maintained that his faction has 67 percent of the rank and file, not including the workers who have now joined his side, bringing it up to 67 percent.

Perez Cepeda believes that these, among others, are the reasons that are "driving de Pena Valdez to oppose the holding of the Third Congress." But Santos told this reporter that the congress would be held as planned, from 1 to 4 December next.

He reported that most of the unions that back de Pena Valdez are behind up to 4 months in the payment of their dues and Article 8 of the bylaws specifies that "membership will be automatically suspended on failure to meet three monthly payments."

As for de Pena Valdez, he assured us that he would make efforts to get the de la Rosa, Perez Cepeda and Marmolejos faction to change "its attitude so as to conform to the bylaws."

He admitted that separation of the dissenting faction would be "a severe blow to the labor movement, but they are apparently not ready to conform to the bylaws and, if they persist in their attitude, we will be forced to subject them to a disciplinary tribunal."

The secretary general of the CGT said that he was "a partisan of classical unionism, which all political factions may participate in."

He added that he did not want factionalism in the CGT because he is, among other things, a partisan of a single federation of workers.

De Pena Valdez accused the de la Rosa faction of boycotting the advisory meeting on Saturday "because many people were going to be unmasked at it."

He feels that "the basic foundation of the CGT crisis is the violation of the bylaws by the de la Rosa faction."

The union leader said that "these violations consist of not respecting the agreements which the executive bodies have democratically and by majority rule decided on."

He assured us that "the most serious of the violations was Nercida Marmolejos' refusal to have the \$103,000 the CGT has deposited abroad transferred to this country, "money that would be used to finance organizational, propaganda, educational and administrative activities."

And then he said: "And furthermore, to begin construction of the local at which the CGT school would be operated."

De Pena Valdez said that "the pretext employed by Mrs Marmolejos was that the national board ought to use its funds to hammer its faction (Mauricio Baez) into shape, which was nothing more than a political argument to attempt to justify her violation of the bylaws."

He said that the de la Rosa faction has refused to respect the battle plan, "failing to participate in the last two marches, conducted last June and July."

He said that they did not participate "in a mobilization of CGT factory rank and file or a meeting with writers who had participated in the international Pablo Neruda conference to support Chilean workers' fifth protest against the Pinochet dictatorship on 8 September" either.

In connection with this Perez Cepeda said that in all these series of activities funds are diverted for purposes that in no way favor the CGT and their expenses are incurred without the authorization of the national board, on which de Pena Valdez controls most of the members.

De Pena Valdez said that, as far as educational activities are concerned, "they systematically oppose the CGT's financing these activities, which are funded by the CGT's member organizations and are included in the work program."

He added that "all these expenses are entered in the organization's national budget and every unforeseen expense is decided on by the national board, not by any leader in particular."

End of Crisis Seen

Santo Domingo LISTIN DIARIO in Spanish 30 Sep 83 p 4

[Article by Arsenio Ramirez]

[Text] The opposing factions in the CGT yesterday reached an agreement that put an end to the crisis that had succeeded in affecting the stability of that labor organization.

Speaking at a press conference at which members of the organization's national board were present, CGT secretary general Julio de Pena Valdez said that they had agreed to preserve the unity and integrity of the organization.

He said that, "in a resolution adopted by all the members of the CGT executive body, they had also agreed to guarantee mutual respect, willingness to engage in a dialogue and opposition to any kind of violence, be it verbal or physical."

In connection with that the CGT secretary general said that "in a decision unprecedented in the history of this worker federation, we, all the members of the national board, pledge to respect the CGT's guidelines, program, bylaws and battle plan and the resolutions issued by its executive organs."

Other points agreed on to put an end to the institutional crisis that was affecting the labor organization were that all members of the organization pledge to mutually respect one another and deal with differences by internally applying the "unit-criticizes-unit" method, placing foremost the general interests of the CGT and the workers.

They also pledged to "extend priority to" activities of the operational plan which advance the worker federations's struggle without this constituting an obstacle to the holding of the Third Congress.

Also during the period between now and the Third Congress the CGT Secretariat will hold special weekly and regular daily meetings.

The resolution in question consists of 18 points and, according to de Pena Valdez, they will be implemented "because that is what all the members of our labor federation's national board want."

He said that "we realize that the preservation of the unity of the CGT, its development and consolidation as a labor federation that has made important contributions to the theory and practice of class unionism in the Dominican Republic, is a fundamental element for us in advancing toward our objective."

And he added that "we feel that the weakening of the CGT through the indifference of only one of its members is a blow against our attainment of a goal of such importance and significance for the Dominican working class, the goal of creating a single labor federation in this country. We feel that the CGT is a pedestal, one of the fundamental bases for the unity of the Dominican working class."

He asserted that the resolution adopted by the opposing factions in the labor federation demonstrates the readiness of all the men and women who make up the organization to continue to advance toward the unity of the labor movement.

And he added that, "moreover, there is an element of great importance that must be emphasized here, and that is the fact that with this resolution we, the leaders of this federation, are demonstrating a great political vision in that, as acute as ideopolitical differences within the federation may be, we have been capable of placing the interests of the working class foremost in reaching this decision."

11,466
CSO: 3248/77

GOVERNMENT DEBT: TRENDS, IMPACT DISCUSSED

Santo Domingo LISTIN DIARIO in Spanish 22 Sep 83 p 13 A

[Article by Jose Romero]

[Text] A recent report on the Dominican economy by the Economic Commission for Latin America (ECLA) indicates that the foreign debt in recent years has demonstrated certain negative trends, including a higher debt contracted by the government compared with the private sector.

In 1982, the government's portion of the total debt was 80 percent, compared with 57 percent in 1977.

In addition, there is a rising trend toward the use of funds from private sources instead of public institutions. In 1982, 39 percent of the foreign debt came from private sources at commercial rates -- that is, much higher rates -- while 31 percent came from multilateral organizations and 29 percent stemmed from bilateral organizations.

In contrast, in 1977, the use of private sources represented only 28 percent, with higher levels of funds from multilateral (39 percent) and bilateral (33 percent) entities.

In the opinion of ECLA, this implies a deterioration in interest and term conditions, which will be reflected in the future in higher service on the debt.

According to the report, during the 1975-1980 period, the foreign debt rose at an annual average rate of 18 percent, more than doubling its value, going from \$808 million during the first year of the period to over \$1.8 billion during the last. Consequently, the ratio between payment for service on the debt and foreign exchange income from exports expanded considerably, rising from approximately 30 percent to 60 percent.

ECLA observes that in 1981, the country's rising debt was checked and the following year, the increase in the foreign debt was under 5 percent. "As a result, the proportion of income from exports used to pay the debt went down, fluctuating around 50 percent, a very high rate nevertheless," the report states.

It also states that the smaller outlays caused payment on amortization and interest to exceed receipts by 29 percent in 1981 and 10 percent in 1982, "which reveals the inadequacy of foreign resources, not only for supporting investments or increasing reserves, but also to cover payment on the foreign debt," ECLA states.

Capital Income

ECLA points out that another element is the decline of long-term financing, the result of the suspension of the flow of direct investments.

However, it states that after the 1979 revision of Law 299 on industrial incentives, foreign investments were reactivated, amounting to \$90 million in 1980 and \$80 million in 1981.

ECLA states that during this fiscal year, prospects of modifying that law, the entry into office of new authorities and the economic stagnation have all had a negative effect.

Capital income, which in 1981 suffered a decline of 36 percent, dropped 28 percent in 1982. However, unlike in 1981, when long-term capital income registered the greatest loss (45 percent), in 1982, it was the short-term income that dropped the most rapidly (46 percent), while the long-term funds had a more moderate rate (12 percent).

ECLA observes that other areas of long-term capital, whose total dropped over 50 percent in 1981, rose in 1982 by 36 percent, thanks to greater affluence of foreign financing, which exceeded the increase in outlays used for amortizations.

It states that with the drop in capital receipts and a growing imbalance in the regular account, it was necessary to resort to international reserves, which dropped by over \$160 million, implying a drop of \$95 million in foreign exchange assets and \$17 million in gold reserves. This necessitated use of \$49 million from the IMF.

11,464

CSO: 3248/75

CONGRESS APPROVES INCOME TAX REVISIONS

Santo Domingo LISTIN DIARIO in Spanish 29 Sep 83 p 4

[Article by Francisco Alvarez Castellanos]

[Excerpts] The Chamber of Deputies yesterday passed a law modifying certain articles of Law 5911 of 22 May 1962 concerning the income tax.

The bill, which was debated at length, modifies articles 45, 51, 55, 56, 61 and 62 of Law 5911.

Modifications

The articles modified will read as follows:

Article 45. The tax in the second category will be liquidated and paid at a rate of 12 percent. However, when the income taxed in this category is transferred or accredited abroad, there will be a single rate of 20 percent subject to withholding.

Article 51, paragraph 1. Losses suffered by companies during their fiscal years may be deducted from profits obtained during the fiscal years immediately following the year of the loss, but this compensation may not be extended beyond three fiscal years. In the case of agricultural and agroindustrial activities, compensation may be extended to a maximum of five fiscal years. The amount of deductions may be verified even if the periods to which such losses correspond have been prescribed.

Article 55. The net annual income of companies from securities constituted in the country, that of companies as a commandite, joint-stock company, collectively, in fact and in partnership, that of corporations and partnerships set up abroad, whatever their denomination, will pay the tax in this category based on the following scale (percent of the amount of net profits between the two figures):

10	from 0.01 RD to	5,000.00 RD
13	from 5,000.00 RD to	10,000.00 RD
16	from 10,000.00 RD to	20,000.00 RD
19	from 20,000.00 RD to	30,000.00 RD
22	from 30,000.00 RD to	40,000.00 RD

(cont.)

27	from 40,000.00 RD to	50,000.00 RD
31	from 50,000.00 RD to	60,000.00 RD
36	from 60,000.00 RD to	100,000.00 RD
41	from 100,000.00 RD to	250,000.00 RD
46	over 250,000.00 RD to	

Paragraph 1. The foregoing progressive rate will be applied gradually so that the percentages will only affect that portion of profits between the sums following the percentages.

Paragraph 2. When the income to which this article refers is transferred or accredited abroad, it will be taxed at a rate of 20 percent, subject to withholding.

Article 56. Income which individuals or joint successions obtained from the pursuit of their activities, taxed in this category through their own business, will be taxed at a rate of 8 percent.

Article 61. Tax in the fourth category will be liquidated and paid at a rate of 4 percent.

Article 62, paragraph 1. However, work settlement for work completed on a personal basis by dependents will not be taxed by rates established by this law.

Paragraph 2. Exemptions are made for compensation for the purchase and maintenance of vehicles, traveling expenditures and costs incurred by agents, representatives, salesmen, medical inspectors, runners, and similar agents, whether not they are working as dependents.

Likewise, the deputies modified paragraph 1 of Article 1 of Law 361 of 6 October 1981, which will now read as follows:

Paragraph 1. If the sugar production average by mill for any production company does not amount to 100,000 short tons for the corresponding fiscal year, the penalty will not be applied, and if it exceeds 200,000 short tons, the penalty will be 70 percent.

Modification of this paragraph was proposed by Deputy Bolivar Abreu Fernandez.

When the bill was passed, the PLD [Dominican Liberation Party] bench withdrew from the room.

11,464

CSO: 3248/75

INDUSTRIAL ASSETS TAX LAW STIRS CONTROVERSY

Jorge Blanco Defends Regulation

Santo Domingo LISTIN DIARIO in Spanish 25 Sep 83 pp 1,15

[Article by Maximo Manuel Perez]

[Text] La Vega—President Salvador Jorge Blanco said yesterday that Law 74 governing the Transfer Tax on Industrial Assets (ITBI) is a product of the chief executive and legislators of the Dominican Revolutionary Party (PRD), which is why he considered it contradictory for parliamentarians of that political organization to object to it at this time.

He also noted that he could not understand criticisms of the law since it had not yet been applied "so that people could recognize its good points and virtues."

Jorge Blanco was alluding to the criticisms of this law which ex-Presidents Joaquin Balaguer and Jacobo Majluta are at present indulging in.

On the one hand, Balaguer says that it is harmful for the country and, on the other, Majluta thinks that, aside from being complicated, the ITBI should be modified or postponed.

The government, which has launched a major defense of the law, plans to put it into effect as of November and the Income Tax Bureau, with which the responsibility for putting this provision of the law into effect lies, maintains that it is beneficial because it will in addition not represent an increase in the rate of inflation.

Coming out recently in defense of the law, the president said that "the law is the product of two wills, that of the chief executive and that of the National Congress."

Jorge Blanco said that "a law cannot be described as such as long as a concurrence of wills does not take place."

The chief of state reminded us that "the law was submitted to the National Congress by me and the Congress passed it in both the Senate and the Chamber of Deputies and, therefore, it was then subject to appropriate promulgation."

"Hence," he added, "the consensus that this law in its entirety is something that belongs to everyone, and the senators and deputies of the PRD voted as a whole for this (the ITBI) to be made into law."

He also said that PRD legislators "formed part of this entire congressional base that has enabled the republic to have an instrument of this kind, one which will modernize our tax system."

"Hence," he said, "it is tantamount to assuming a contradictory position to insinuate that this law, which is also a product of the National Congress, does not today correspond to this or that need when the one thing that is certain is that it has not yet been put into effect, which would be the best way to determine its good points or its virtues."

Jorge Blanco maintained that "the application of a law is the big test as to how far practical experience may be divorced from a programmed theoretical concept."

Jorge Blanco further informed us that his announced trip to Ecuador would be next January.

While he did not specifically say so, he did let it be understood that his trip to that city [as published] would coincide with the Latin American Economic Conference to be held there.

As far as we have been able to determine, Jorge Blanco will figure as one of the chief speakers at the conference, at which Ecuadorean President Osvaldo Hurtado Larrea will also be speaking.

A follow-up committee composed of representatives of the different countries and chaired by Secretary of Foreign Relations Dr Jose Augusto Vega Imbert is responsible for the organization of this conference as well as its promotion and coordination.

Jorge Blanco announced that he might visit Jamaica in December of this year.

He also informed us that the government is actively working for the Dominican Republic to establish diplomatic relations with Jamaica and Barbados.

Majluta Sees Production Reduced

Santo Domingo LISTIN DIARIO in Spanish 25 Sep 83 pp 1,15

[Article by Manuel Silvestre]

[Text] The president of the Senate, Dr Jacobo Majluta, yesterday claimed that the ITBI is inflationary and constitutes an attack on the country's development at this time.

Majluta explained that, if the government continues in its determination to apply this tax to the industrial sector, the latter will be reduced "even more than it is now."

The legislator thought that the Congress and the government ought to reach agreement in order to determine "whether postponement of application of the ITBI or modification of the tax as regards some sections would be advisable for the country."

"I still hope that the government will take the time to think about application of this law, since no one will benefit from it, neither the government nor the country," Majluta maintained.

The president of the Senate pointed out that "people have repeatedly spoken out against the creation of new taxes because the promulgation of new taxes does not necessarily represent the collection of more revenue, especially when they impose too great a burden on the economy, because in that event the only thing they succeed in doing is to diminish it."

Majluta issued his statement while being interviewed on the program, "Fourth Power," produced by journalist Miguel Hernandez on a local television station.

The president of the Senate explained that the ITBI was passed by the Congress "to be the basis for the national government's economic structure."

He said that, when the chief executive submitted the bill to the Congress, a representative of the International Monetary Fund (IMF) pointed out that such a tax would be inflationary, regressive and contrary to the development of the nation.

Majluta explained that, despite his opposition to the passage of the bill in the Senate, "several factors arose that enabled them to turn the bill into law," noting among these factors that government authorities were basing their economic policy on passage of the ITBI.

He maintained that "rejecting this tax proposed by Dr Salvador Jorge Blanco's government would have meant rejecting the whole economic policy, in spite of the fact that we realized that this tax measure wasn't going to solve the country's economic problems."

Blackouts

Dr Majluta criticized the situation the Dominican Electricity Corporation (CDE) is going through and noted that this is the country "where blackouts are most costly."

He said that, despite the poor service the CDE provides its customers, it is still progressively increasing its billing rates.

"Last month the CDE drastically raised its rates, turning this country into the one that pays the most for blackouts," the legislator said.

Majluta said that the CDE's precarious situation is more damaging to the PRD than any differences there may be among the leaders of that political organization.

"When people say to me that factional differences are damaging the PRD, I don't believe it, but what is really robbing the party of votes is this CDE situation," Majluta maintained.

The president of the Senate and the PRD noted that people feel badly about this situation, "not for political reasons, but for human reasons and out of fairness to people."

The political leader and ex-president of the republic wondered how it was possible for a CDE customer used to paying 30 pesos for electricity to receive a bill for from 90 to 100 pesos without any justification.

Majluta said that CDE customers were repeatedly complaining that they felt that CDE rates are raised "without any justifiable reason."

They Spoke of the ITBI

The president of the Senate said that, although he was not ruling out the possibility of finally giving his approval to the \$150-million loan contract for the construction of the Madrigal Dam, "there are a number of questions that have made me very much doubt the advisability of this project."

Dr Majluta felt that, far from being what some people claim it to be, "Madrigal is not a quick solution to the capital's water problems."

He said that Madrigal would mean that the national capital's water problem would continue to exist for at least 7 or 8 more years, a period of time during which construction of the dam and all the related projects would be delayed.

On the other hand, he maintained that the project as a whole would provide jobs for hundreds, perhaps thousands of workers in the National District and its surrounding areas.

"We are not talking," he said, "about 50 or 15 million pesos, but 258 million which, as we all know, will come to much more when the project is implemented," he added.

He explained that, when he talks of 7 or 8 years to solve the problem by putting Madrigal into operation, he does so taking into account the fact that the government has set itself a deadline of 5 years to complete the project, and he wondered: "And what project completion of which has been promised in 5 years on paper has not taken 10 years in this country?"

"Madrigal is one of the alternatives for solving the capital's water problem which seems to be too costly, seems to be overly long in terms of construction and which, it would seem, in the final analysis will not solve the problem either," he said.

He, nevertheless, made it clear that, if in the long run Madrigal is the best alternative, it will have his approval.

Majluta noted that the government cannot expect him to approve within 5 days a project which it will take 16 years to complete.

The loan contract with the IDB was submitted to the Senate over 2 months ago and is now being studied by Senate advisers.

11,466
CSO: 3248/76

ARMED FORCES AGRICULTURAL DEVELOPMENT PROJECT REVIEWED

Santo Domingo LISTIN DIARIO in Spanish 30 Sep 83 p 6

[Article by Max Uribe]

[Text] As we may infer from a recently published report, the Armed Forces Secretariat has just submitted an agricultural development project to serve as a basis or foundation for the economic development of the towns along our border with Haiti to the chief of state for his approval.

The project involves new measures aimed at beefing up even more the program for economic recovery and cultural diffusion outlined by the president during two laborious Cabinet sessions: the one held in Azua on 19 March and the one held in San Francisco de Macoris on 25 June, both of them this year.

The exceptional importance of this project lies in the fact that it has been conceived taking into account the fact that, in order to achieve the desired goals, the first step must consist of suitable training the human element that will have to be utilized in the execution of action or operational plans.

All located at a great distance from the Dominican capital, the border communities have not in the course of time managed to overcome the levels of poverty and backwardness they are known to be subjected to. The reality lies in the fact that different reasons are simultaneously involved: arid lands, scanty channels of communication, a lack of electricity, a lack of interest in the functions of leaders and the flight of the business and progressive segments of the population.

Another reason, which cannot be concealed, must be added to all these: the congenital shyness and timidity of the people of the southwestern part of the country, no matter what their social position may be or their level of culture, as well as their retiring and conformist temperament. It would appear that God has made our people of the South and Southwest, who are so diligent and tenacious in the struggle to survive, at the same time incapable of combining action and thought in search of solutions to the problems the exigencies of civilization and progress are incessantly creating for our communities. Perhaps -- or without that perhaps -- the people of Bani constitute the exception to this.

Let us further note the following: Of the eight citizens from the Southwest who have up to now served as president of the nation, all of which took place during a period of time beginning with Buenaventura Baez of Cabral in 1849 and ending with Emilio de los Santos of San Juan in 1964, only Baez remained in power long enough to accomplish something for the good of the border towns.

But the truth is that Baez, a considerably cultivated man and one undeniably gifted as a statesman, had to use the meager resources of the state and all the national security mechanisms in achieving no more than two objectives: one, the preservation of his regime against the obdurate "revolutionary attitude" of his savage opponents, and the other, the expediency of keeping Haiti intimidated by waging an offensive war against it.

This has meant that among the reasons behind the backwardness and stagnation of many Spanish-American communities must be counted the considerable distance that separates them from their respective capitals, located on the seacoast, which makes them appear to a foreigner as something dimly glimpsed from a balcony.

To the satisfaction of all Dominicans and thanks to the president's vigorous determination to make an effort, he who with his wife is so accustomed to facing the discomforts and fatigue of trips and tours of places hard to get to or pass through, we need not say that, as the seat of the government, our capital is at all alienated from the concerns, aspirations and requirements of any of our towns, regardless of its isolation or remoteness.

It is obvious, of course, that in drafting their project the Armed Forces Secretariat and the Central University of the East (UCE) are more than certain that it will be firmly strengthened and seconded by ONAPLAN [expansion unknown] and INDESUR [expansion unknown], actively and very competently headed agencies which recently had to the good sense to sponsor under the auspices of the Inter-American Center for Regional Development, of Venezuela, a specialized course of study that dealt with nothing but the execution of projects.

The fact that, through the assistance and participation of the UCE, a thousand young people from Pedernales and another thousand from Elias Pina, 1,500 from Duverge, 2,000 from Dajabon and another 2,000 from Montecristi are going to receive college educations so that they can later work in their own communities as veterinarians, agronomists, mechanics, industrialists, teachers and with other skills is news that ought to please everyone. This news means that we Dominicans have now begun to be convinced that quackery is one of the worst obstacles that today burdens nations which, like ours, urgently need to unite and consolidate their best efforts to successfully come to grips with the evils of underdevelopment.

In short, on the one hand, in view of President Jorge Blanco's vigorous insistence that we assume full, collective awareness for the preservation of our forests and the sensible use of water and land -- assets that basically constitute our chief source of wealth -- and, on the other hand, in view of the "Armed Forces-UCE Project," the reader will with us no doubt recall the famous sentence with which Cicero rushed to the moral assistance of the youth of his

time and to obtain better days for his native land: "Of all the profitable occupations, none is better, more productive, more pleasant or more worthy of a free man than farming."

In short, without haste, with laudable tact and exemplary discretion, with calm and dignity that exalt them, the Armed Forces have with their project just responded crushingly to those ill-intentioned persons who still obstinately persist in striving for that utopia with which, to the tune of "Coup d'Etat" as their watchword, are going to overthrow this or that other legitimate government and in that way enjoy the honors of power before a people supposedly brought to its knees and submissive.

11,466

CSO: 3248/76

CHARGES OF PAST CORRUPTION HEAT UP POLITICAL ARENA

FPO Attacks Right

Guatemala City DIARIO EL GRAFICO in Spanish 23 Sep 83 p 5

[Interview with Rony Villavicencio, general secretary of Organized Popular Force; date and place of interview not specified]

[Text] Prof Rony Villavicencio, the general secretary of the pro-political party committee Organized Popular Force [FPO], told EL GRAFICO that "the right is in total control of the country's political life. That is no longer a secret. At first it was said softly, but now it is being heard loudly and is even making the headlines in the news media."

Professor Villavicencio added: "I will begin by listing the obvious contradictions of the present chief of state. In the beginning, in his first dialogue with the general secretaries of the pro-political party committees, we established by consensus the timetable for returning to the constitutional order which we all desire.

"Some days later, he unexpectedly announced the possible acceleration of that process. On 14 September, in his message to the nation, he again confirmed that the aforementioned timetable would be respected. Hours later in a press conference with foreign correspondents, he again surprised the citizenry by announcing that the scheduling of elections would be delayed."

[Question] What have the consequences been?

[Answer] When he abolished the Population Register, he dashed the hopes of the citizenry for the seriousness of the future process. An office has been created to issue the new personal identification card, a document intended to guarantee the honesty of the elections. As a corollary to this, the residence card will become valid again overnight. In the past, this was the document par excellence that was the least trustworthy and the most suitable for the perfect fraud.

[Question] But you told me that the right is in political control of the country and now you're telling me about false documents in a separate statement. Are the two related?

[Answer] FUN has absolutely been a party which has been advocating early elections and stated this again, at the time of a recent interview with the chief of state, in a memorandum submitted to him personally by the party's leadership.

[Question] Where could we situate FUN's position as a political party?

[Answer] In Guatemala. We are concerned with and will support an outstandingly nationalistic policy, without seeking to take specific sides or positions, since whatever is good for Guatemala, regardless of whether it comes from the right, left or center, we will support it, for the good of Guatemala.

[Question] Do you really think that FUN is in a position to conduct an election campaign?

[Answer] We don't think so, we're sure of it. At that time, the party will have the opportunity to explain its political platform. And in the political campaign, we are sure that we are going to decisively influence the course of the upcoming election's socioeconomic development.

That is to say, regardless of what happens in the elections, we are sure that our policy, which we consider beneficial for the country's future development, will have an influence and will have to be taken into account by the other participating groups.

Guatemala needs a dynamic economic policy and we have a specific program to provide the country with one. We will present this program at the proper time.

[Question] How does FUN plan to implement its program and what are its basic features?

[Answer] Maintaining and strengthening a free economy. Whereas other countries have to import food and other goods, due to low production as a result of the introduction of socialistic policies, we in Guatemala, by maintaining a free economy, are producing what we consume and are exporting to countries which have harmed their productive capacity through erroneous management.

To be specific, we have been selling foodstuffs and agricultural produce to Mexico, El Salvador, Nicaragua, Peru, Ecuador and Jamaica, and we are finally in a position, and some measures have already been taken, to further increase this productive capacity. The basic secret is a free economy.

DC Denies Charges

Guatemala City DIARIO EL GRAFICO in Spanish 22 Sep 83 p 8

[Text] Guatemala City, 21 Sep--In a public statement in which he assured that his party has not received funds from the government, attorney Alfonso Cabrera said today: "I categorically and absolutely refute the veiled accusation by which Mr Roberto Alejos Arzu has insidiously attempted to implicate Christian Democracy." Alfonso Cabrera provided this explanation:

[Answer] They are absolutely related. That's why I'm saying it, to tell you that when talks first began with the current chief of state and government officials, right-wing groups did not conceal their intentions: first, to prevent the existence of new ideological groups by taking over political affairs as though they owned them, and second, by exerting pressure until things became impossible in opposition to the timetable and to the institutions created to legislate, such as the Council of State.

[Question] Then the original sin of the Council of State, which attacked these groups, is that it opposed habitual fraud?

[Answer] A justified original sin ... because if you look at the country's political past ... it is so corrupt that it has made Guatemala a wretched prostitute.... Past congresses were composed of people who lost the elections in their own districts, with extremely weak support, and succeeded even in becoming president of that body.

Gangs of henchmen were established in that body, the congress, and more than once they liquidated certain sectors of the population. The budget which presidents of the congress administered was used for many things, less for legislating than for, principally, those notorious confidential [items] and, as I told you about those who were so attracted and were bought ... with "deliveries."

[Question] Deliveries? What does that term mean in a political or ... economic context?

[Answer] In the political slang of members of congress, a "delivery" is considered to be a gift from the government in power. It was given to deputies in the backyard of the National Palace.

[Question] You said the National Palace ... why not the National Congress?

[Answer] Because the official do-nothings with poor memories and supernumeraries, in return for good relations with the administration, would receive this bonus in the National Palace.

[Question] You are the general secretary of a new pro-political party committee. How are the changes in the timetable which you mentioned affecting the committees?

[Answer] Firmly believing in the pledged word of Gen Efraim Rios Montt and of Gen Oscar Humberto Mejia Victores today, we in the FPO have established the goal of consolidation and organization at the national level within a period of 1 year at most. But with such contradictions putting a strain on the time and effort of the new committees, we find ourselves at a distinct disadvantage in comparison to members of the right, who do have some power and have maintained power in the past. And they still want to maintain it by postponing the elections in order to prevent the people from expressing their opinions on the new choices, which are their hope.

[Question] You say that these parties "have some power" ... Which ones are you referring to?

[Answer] Two of the most recalcitrant right-wing parties boast of having almost 200 mayors at the national level, some government officials and general offices are under their control also. This is underhanded in all respects, because they are trying to thwart the will of the people to freely select their officials, who will give them the government they want.

We see as an encouraging first step an examination of the conduct of these officials, as in the case of those in government, and I hope that this arrangement will be honest and sincere.

[Question] Changing the subject ... the FPO says that it is part of the humanist left ... is this movement sufficient to establish a system of government or a political faction?

[Answer] This position, which the FPO is presently taking, is a platform which the people have been waiting for, because the established ruling order has been incapable of governing due to the most underprivileged classes of the country. The humanist left, which the FPO is supporting, is a program which reaches out mainly to these underprivileged classes, because the basis of our doctrine is that man is the most perfect miracle of creation. And as such, production or man-made wealth must be in the service of mankind.

According to our basic principles, education of human beings is an essential service to be provided by the state. Children, the elderly and infants must be assured of the process for their creativity, their education and their development as a new generation. And the elderly should be happy in their old age, since the best of their intelligence and energy was rendered to serve society.

Women, the cornerstone of this presently damaged society, should be provided for in the exact place of their preeminence. In conclusion: this humanist left is man's redemption. This humanist left defends its plan, because the foundations of this society, in some respects, are evolving, because the structure on which it rests was built with the mentality of a different century, and Guatemala must get in touch with the spirit of this century: change.

FUN: Traditional Parties Manipulated

Guatemala City DIARIO EL GRAFICO in Spanish 21 Sep 83 pp 5, 62

[Interview with Roberto Alejos Arzu of the National Unity Front; date and place of interview not specified]

[Text] Guatemala City, 20 Sep--Mr Roberto Alejos Arzu of the National Unity Front, FUN, told EL GRAFICO today: "The new political arrangement provides an opportunity for participation, which in the past was limited to cliques that conducted domestic policy for a long time."

The political leader added: "In one way or another, the parties were receiving 'help' or had advantages granted to them by the government in power to maintain its manipulation of them."

[Question] That help ... which you mention, what was its nature?

[Answer] The cliques of the formerly dominant groups received funds from the government in exchange for their promised political support. The existing parties would periodically receive a "little ear of corn" from the government.

[Question] Then these parties did not represent the people?

[Answer] They did not really represent the people. The dominance of these cliques, which had become negotiators of political deals for elections, was maintained through a closed political process.

[Question] And now what is your view of the prospects for such activity?

[Answer] That clique system disappeared with the start of democratic politics. All groups will be able to participate and these cliques will no longer have the monopoly they had in the past. They used to exploit the former exactly as they pleased. In those corrupt circumstances, they were in control and negotiated for that control by setting up a political and electoral campaign front.

[Question] We have recently seen you become active again in politics; why?

[Answer] Actually, I have always been actively concerned about national problems and now, as a result of the measures taken by the government, with political activities getting fully underway for restoration of the republic's constitutional process, I believe that it is not a choice, but an obligation for every citizen to take part.

[Question] Will you continue to lead FUN?

[Answer] The general secretary, atty Gabriel Giron Ortiz, has actually been and is the party's leader. He has enthusiastically kept up the call for liberty, which is the party's symbol. I have maintained a close relationship, but ... have really been devoted more to my personal affairs and to the interests which I handle or represent, always in close relationship to FUN's political actions at the national level.

[Question] And now what is your view of the national political panorama? Is it viable for a process of returning to constitutional government?

[Answer] Absolutely. The government's declarations and the policy which it is following categorically establish the possibility of restoring the democratic process and, as a result, free elections to steer the country back into the constitutional process.

I firmly believe that the measures proposed at the time of the recent change of 8 August are being implemented and that future planning will continue decisively in the direction of restoring the constitutional process.

[Question] Does this mean that the election calendar will be moved up?

"I categorically and absolutely refute the veiled accusation by which Mr Roberto Alejos Arzu has insidiously attempted to implicate Christian Democracy [DC]. I consider the position of those who, lacking merits and proven ability, attempt to rise in public opinion through cunning, intrigue and maneuvering to be regrettably shameful. I believe it is disrespectful to the people of Guatemala to try to deceive them with a mediocre and opportunistic style.

"Positions such as this are what have caused the political disaster in our country, because they destroy institutions, cause citizens to lose faith in participation and taint and denigrate political activity.

"I say this to those who act in such a low manner so that they might understand that practicing politics does not mean he who shoves hardest, who makes the dirtiest accusation in order to gain notoriety in the press, or the one who denigrates his opponent the most. No, for Christian Democrats, practicing politics means a noble and exalting position of mankind, practicing politics means performing any human activity in a constant quest and attainment of the public good, practicing politics means a creative attitude in the sustained process of perfecting civilian society, practicing politics means constant consolidation of the highest human values, it means the communion of minds in the achievement of a common goal, it means the constant struggle for social justice, it means the achievement of peace and solidarity.

"The Guatemalan people are a mature and aware people who deserve the highest respect. The Guatemalan people want no more intrigue, no more maneuvering, no more corruption. The Guatemalan people want to hear the political thoughts, ideological views and proposed plans of their serious leaders and parties. The Guatemalan people have demonstrated in recent years their capacity for rational reflection in a constant quest for their support of political choices to guarantee their well-being. The Guatemalan people, as a result of their tragedy, are perfectly aware of their true leaders, their political path and also know who has tried to deceive them for more than 30 years.

"Our unshakeable faith in the struggle to build a democratic model in Guatemala has cost us the lives of more than 300 extremely important leaders, who were assassinated because of their loyalty to an historical-political plan, and of several thousand members and sympathizers who died in this fratricidal war, for we Christian Democrats have not given in and will not give in to either bribery or terror, and for the sake of the sacred memory of our martyrs and what their memory inspires in us, we refute the veiled accusation by Roberto Alejos Arzu and vehemently tell him that we condemn his conduct."

Alfonso Cabrera, assistant general secretary, Christian Democratic Party.

11915

CSO: 3248/25

DISSOLUTION OF STATE COUNCIL CALLED UNPOPULAR

Guatemala City PRENSA LIBRE in Spanish 30 Sep 83 p 4

[Text] Fear that consciously or unconsciously, Guatemala is returning to a state of political agitation with all its resulting disorder and anarchy was expressed yesterday by Marco Trejo Paiz, who until last Wednesday was a member of the State Council for press matters.

Trejo Paiz said during an interview that he had expressed that same feeling to the chief of state, Gen Oscar Humberto Mejia Victores, when the latter visited Congress to inform the members officially of the council's dissolution.

He said: "On that occasion, I told the leader that this might be due to the pressures to which the regime is being subjected as a direct consequence of egotism and sectarianism of the worst kind. Perhaps no consideration has been given by those forces to the delicate context of international politics, beginning with that context as it applies to Central America."

Concerning the dissolution of the council, Trejo Paiz said that according to some political leaders, the time had come to disband the council, but that the majority of citizens feel the opposite because the electoral political process as scheduled does not yet include representation rooted in the people and capable of bringing together the legitimate aspirations of the mass of the citizens.

Trejo Paiz added: "The State Council performed an important function in the field of advice and consultation, and it should be emphasized that since 15 September 1982, more than half the population has been represented. I am referring to our Indian compatriots, who have never had a voice or a vote.

"That fact has come to figure in the pages of our contemporary history, and it is unprecedented since mist-shrouded pre-Columbian times. Apart from that, I want to stress the fact that narrow and dishonorable politicking, which has caused our country so much harm, has been absent from the council."

Journalist Trejo Paiz concluded by saying: "All of us on the council have acted according to the dictates of a civic conscience and with devotion to ethics, honor, and decency. We have tried to promote the beloved interests of the fatherland. But what satisfies us most is the fact that the council was far from being an echo or chorus of any kind, since it made its civic-spirited contribution to the leaders who have tried to organize the modern, dynamic, and democratic state that we all yearn for."

SISNIEGA COMMENTS ON COALITIONS, PITFALLS FOR NEW PARTIES

Guatemala City DIARIO EL GRAFICO in Spanish 2 Oct 83 p 5

[Interview with Lionel Sisniega Otero, leader of the Anticommunist Unification Party; date and place not specified]

[Text] "Alliance among political parties is nothing more than a way of quantifying the buying and selling of symbols and passions on the black market of base interests and petty ambitions." So said the top leader of the committee for the Anticommunist Unification Party (PUA), Lionel Sisniega Otero, during an interview on topics of interest in the national political framework. He had been asked about a possible alliance by his political group.

Sisniega Otero added: "Personally, I do not believe in alliances. I feel that we men must express ourselves in various ways, and perhaps the chief way is through politics.

"A political party is made up of men who share in the same truth, participate in a program to be carried out, and outline an ideological type of thinking."

EL GRAFICO: Does this mean that the PUA will not agree to negotiate a party alliance if the occasion arises?

Sisniega Otero: Those who feel that they agree sufficiently on principles, programs, and truth should not form an alliance--they should merge and make their best contribution toward achieving the objective.

EL GRAFICO: Your political movement was harmed when you were prevented from registering the Nationalist Democratic Movement. Was it because, as you said, unknown persons were using that name?

Sisniega Otero: The truth is that while an organization's name may reflect its soul, it is also true that its acronym may vary, but never its intentions. The PUA is one of the sources of the National Anticommunist Movement and a full member of the Armed Liberation Movement, because after the patriotic struggles and the search for the path to the vote and democratic expression, the PUA of

yesterday united its efforts with those of the various groups participating in the struggle against the establishment of communism in Guatemala.

EL GRAFICO: Has the PUA taken part in the past in the type of merger you point to as an example of what you expect from other groups?

Sisniega Otero: Since at one time we joined our political destinies and identified with each other in the libertarian bond, there had to be--as there was--identity of principles and identity of purposes.

After the exploit of 1954, we all, united in a single concentration of wills, formed the Nationalist Democratic Movement. That movement was made up of men of belief and knowledge seeking freedom for Guatemala and the Guatemalans. So regardless of the name, those of us forming the essence of the Libertarian Movement constituted a unit without prejudice to the principles and foundations that once made us invincible.

EL GRAFICO: What about the pressures that have been exerted to move up the elections? What is your opinion?

Sisniega Otero: I believe in the oft-quoted popular saying "Vox populi vox Dei," which in good Guatemalan means "the voice of the people is the voice of God." There is also another saying: time must take its course. So holding the elections within a reasonable time will be a better demonstration of honesty to ourselves and outsiders, whereas haste may lead to two unstable possibilities: first, the automatic reactivation of the so-called traditional parties--and that would be inadvisable--and second, unrestricted registration with its tragic consequences.

EL GRAFICO: What would the consequences have been if the elections had been moved up?

Sisniega Otero: A political party covering the entire country can only be achieved through the direct action of those who, with the necessary experience, can make contacts with the speed required. This will unquestionably close the door to those entering the fray for the first time and sincerely trying to participate in the upcoming election.

EL GRAFICO: Is the PUA in a situation similar to that?

Sisniega Otero: I say emphatically that the PUA is not in the same situation, since we already have far more than what might be required if the deadline for registration were moved up.

But we draw attention, first of all, to the need to continue with the general registration of the population, and, second, to the fact that making haste may lead us onto a terrain of surprises and that Guatemala is not in a position of equilibrium or one for clever moves; it is in a position of expectation and of waiting for a firm step that will remove it from the extremely rough terrain onto which we have been led by the lack of suitable administrative teams and the lack of experience in managing those teams.

EL GRAFICO: And what do you think of the election of the constituent assembly and the possibility of a bicameral system?

Sisniega Otero: We current leaders of the powerful PUA believe that a different method must be used: voting by lists with proportional representation. That will give all the parties qualified to participate in the election the opportunity to place their best men in the best position to give Guatemala the best chance with the best legislation.

11798

CSO: 3248/56

BRIEFS

AVIATECA PROMOTION CAMPAIGN--Luis Vasquez, sales manager for AVIATECA [Guatemalan Aviation Company], said yesterday: "The AVIATECA airline will intensify its work abroad with regard to improving the country's image so as to increase the influx of tourists." He said that the enterprise is effectively engaged in this nationalistic work in New Orleans, Miami, Houston, and Mexico City. The result is that wholesale tour operators are promoting tourist packages for visiting Guatemala. Vasquez also said that over the past 6 months, AVIATECA has carried a total of 45,812 passengers on international flights and 14,890 passengers on local flights to and from Peten. He said that the enterprise's officials are managing the operation along austere lines, with the result that it is able to provide its own financing for the first time. AVIATECA no longer receives a government subsidy, and it is paying off its foreign debt of almost \$5 million. He concluded: "AVIATECA is improving thanks to the judicious work of the current government trusteeship." [Text] [Guatemala City PRENSA LIBRE in Spanish 1 Oct 83 p 6] 11798

CSO: 3248/56

ATC TO MOBILIZE 70,000 FOR COFFEE HARVEST

Managua BARRICADA in Spanish 23 Sep 83 p 5

[Text] Three hundred twenty rank and file delegates from the regional branches of the Association of Agricultural Workers [ATC] and the support organizations for the present coffee harvest will analyze commitments and will put forward appeals for the mobilization of 70,000 coffee cutters during the National Coffee Assembly to be held on 25 September at the Maestro Gabriel School in Managua.

The announcement was made yesterday by the general secretary of the ATC, Edgardo Garcia, at the same time that he announced 20,000 cutters who represent 30 percent of the workforce for the coffee-growing regions will be organized in battalions that will enter the Victorious Battle during November and December.

The formation of production battalions will allow better coordination of the forms of defense in each enterprise or production unit in case of armed aggression by the counterrevolution.

The second "Jacinto Hernandez" Victorious Battle for coffee and cotton will be carried out in a difficult context because of the aggressions in growing regions I and VI especially which represent 75 percent of total production.

Elaborating on the contents of the appeals that will be made during the assembly, Garcia said that they will introduce to institutions such as the Ministries of Trade, Interior, Transport, Health and Agricultural and Livestock Development that they guarantee the supply of [coffee] beans, the extracting of the coffee and the material, social and medical conditions that the cutters require on ranches and farms.

Referring to the labor standard, Garcia said that the principal difference with regard to that of last year is that this year they register the labors of the workers, transport and other advantages. This labor standard is directed toward adhering more to reality, he said.

Decrease in the Harvest

They calculate that in this present harvest of the golden bean there will be a decrease in production of approximately 300,000 quintals compared with the

last harvest, considered a "record" in the coffee-growing history of Nicaragua, since it exceeded 1,500,000 quintals.

This year they expect to harvest "cost what it may" 1,200,000 quintals of coffee, of which 82 percent is earmarked for export.

The considerable decrease in this year's harvest is due to three factors: the fruit appeared prematurely because of climatological factors; low capacity in the type of technology and because of the constant counter-revolutionary aggression in regions I and VI, the principal producers of coffee.

A final report on coffee production during the 1982-83 harvest showed a total of 1,568,000 quintals, of which 1,233,000 were produced by small, medium and large growers, and 1,249,000 quintals were earmarked for export, which generated \$143 million in foreign currency.

Seventy percent of the labor force needs, of a total of 70,000 in the "peak" months of November and December, is provided by the ATC. The other 30 percent is the responsibility of the peoples and mass organizations.

9545

CSO: 3248/40

NINE GOLD VEINS FOUND IN SOUTHERN ZELAYA

Managua BARRICADA in Spanish 24 Sep 83 p 5

[Text] Managua, Sept. The Nicaraguan Mining Institute and the Enterprise for Research of Mineral Resources of Brazil found in the southeastern district of Zelaya South gold veins that are located in an area of 15 square kilometers.

The work of the Brazilian mining exploration company was financed by the World Bank at a cost of \$400,000.

In the first phase of the geological, geochemical and drilling studies, carried out below the levels of subterranean water (terpenics), they detected an extensive potential reserve in the mines, according to the report by the director of mining development of the Nicaraguan Mining Institute.

The studies were made in Ciudad Rama in the district of Zelaya, 220 km east of Managua in the old Topacio Mine, closed since the 1960's, whose open-cut veins had been worked with rudimentary methods.

The research below the terpenic levels is being carried out as part of a "mining rehabilitation" program which covers all the old mines located on Nicaragua's east (Zelaya) coast, including the Atlantic coastal region where there are indications of the existence of gold-bearing veins and of nonmetals highly valued on the international market.

Because of its importance, the mining exploration at Topacio has given rise to a second phase of the project that is under way, which will cover about 300 square km south of Ciudad Rama, in Kisilala.

In the explored area they found about nine veins, among them the Topacio, Dos Amigos, and Brazil. Of these Topacio and Brazil show very rich, gold-bearing assets, they added.

Thanks to the penetration of the diamond, they detected that the mines have a depth of up to 150 meters and that the gold-bearing veins are extensive, which allows assuming that they are in a virgin state.

The metal mines were worked by big foreign consortiums up to 1979, when all those companies engaged in extracting and marketing Nicaragua's natural resources were nationalized.

Up to now there are no topographic drawings of the mining zones in Nicaragua, and part of the work of the enterprises for exploration and detecting of minerals is directed precisely toward achieving this.

Also Nicaragua was lacking geochemical laboratories capable of determining the quality of the metals, which has been overcome through loans granted by Sweden which allowed installation of a modern laboratory where they are carrying out the geochemical tests of the metals.

9545

CSO: 3248/40

BORGE DESCRIBES COUNTRY AS 'MODEL OF NONALIGNMENT'

Paris L'UNITE in French 23 Sep 83 p 14

/Interview with Tomas Borge Martinez, minister of the interior, on 23 September in Paris, by Carlos Ferrari Lopez/

/Text/ The Nicaraguan minister of the interior, Commandante Tomas Borge Martinez, poet and writer, is also the only surviving founding member of the Sandinist National Liberation Front. Passing through Paris, he agreed to an interview with our colleague Carlos Ferrari Lopez.

/Question/ It is not very often that we see Commandante Tomas Borge away from his country for several weeks. There must be a very important reason.

/Answer/ It was necessary for us to leave Nicaragua in order to meet with the international press agencies. It is true that France is not influenced--the same cannot be said of all countries--by the poor literature of Reader's Digest, but the major international news media nevertheless have an influence on public opinion in France and in Europe in general. We do not have all the means necessary to confront reactionary propaganda everywhere in the world. We came here therefore to shed a little direct light which may serve to inform Europeans interested in Central America and its problems.

/Question/ In France you met the prime minister, Pierre Mauroy, and several other members of the government also, Defferre, Cheysson, Nucci and Lang. Did you discuss the present situation in Central America with them?

/Answer/ The French leaders are well aware of what is going on in Central America, but we were able nevertheless to provide some information on recent developments. In particular we answered questions which interest the French government.

/Question/ France has just delivered to Nicaragua two motor boats which are part of the agreement for the purchase of military materiel signed in 1982. Are you satisfied with this military cooperation?

/Answer/ This military aid, which was not very substantial, was satisfactory to us. Nicaragua has no need of large military resources to defend itself.

/Question/ A new financial agreement has also just been signed.

/Answer/ As a matter of fact, there was even a small increase by comparison with last year. Our visit could also serve to secure the establishment of new lines of credit, and we discussed certain donations which will be determined later by the French authorities. I would like to add that from a political point of view the position of the socialist government is widely known and appreciated with respect to the matter of support for the Contadora group and for all the steps towards peace in Central America.

/Question/ There are two subjects which interest public opinion where Nicaragua is concerned: the question of democratic elections and the presence of foreign military advisers in your country.

/Answer/ There is no relationship between these two subjects and I do not see why the elections should be linked with the military advisers. The electoral process is proceeding normally and will culminate in 1985; we are now working on the necessary judicial and administrative apparatus.

/Question/ Do you think that military aggression could deflect the Sandinist government and divorce it from the principles of the revolution: nonalignment, private as well as government participation in the economy, and political pluralism?

/Answer/ We have hundreds of reasons which could be used as pretexts for making the revolution the most radical one in the world, but we are maintaining intact our political design, that of the Sandinist revolution. We are under attack but the present pressures will not make us change course.

/Question/ Nicaragua's nonalignment is not in danger then?

/Answer/ No: We are a model of nonalignment.

/Question/ Opposition to the government seems to be hardening in your country.

/Answer/ In Nicaragua there is a people which supports its revolution. The majority of Nicaraguans are with the government although of course there are those against.

/Question/ Recently, the Church and the opposition parties criticized several governmental measures, for example the law regulating military service.

/Answer/ Obviously, there are groups which have some disagreements with the revolution so they express more or less visible opposition. Sometimes some of them cross the boundaries of the law but we are acting cautiously. With regard to the law you mentioned, I may say that we

made a great deal of effort to explain thoroughly its goals and significance. It is necessary to defend the revolution, so the means to do so must be adopted.

/Question/ The Church took a very critical stance with respect to this law.

/Answer/ The bishop of Managua drafted a pastoral letter which made reference to the law of patriotic military duty. Once again we made a careful reply. A veritable avalanche of letters written by Christians among our people quickly answered the bishop's message.

9824

CSO: 3219/1

FSLN CLAIMS PROGRESS IN ANTI-'CONTRA' PROPAGANDA CAMPAIGN

Managua BARRICADA in Spanish 16 Sep 83 p 12

[Report on interview with Jose Francisco Mendieta, member of FSLN Region 1 Governing Committee; date and place not given]

[Text] An intangible offensive, a humble and silent, anonymous and detailed campaign, is being carried out by several Sandinists in the mountains and forests of regions 1 and 6 and in special zone 1, where a no less important battle is being won over our enemies.

The results are tangible. The strategy is evident and is now part of the wealth of apprenticeship being accumulated by our FSLN [Sandinist National Liberation Front] Vanguard in the struggle to defend this people's government and the gains of the revolution.

One result of this "intangible offensive" is that 200 counterrevolutionaries have laid down their weapons and, what is even better, have turned them over to the Sandinist Armed Forces, in one of the regions that has had the most problems because of the presence of forces sent by the Reagan administration.

BARRICADA spoke with comrade Jose Francisco Mendieta, member of the FSLN Regional Governing Committee in Region 1, which includes Esteli, Madriz and Nueva Segovia. The conversation apprised us of some of the key elements, such as how "the old tool of FSLN political work in the mountains," an art in the hands of Pablo Ubeda and a clever plan announced by Omar Cabezas, is now having new results for the revolution.

From January to the present, the emphasis of FSLN propaganda everywhere has been on persuasion, on convincing the people, "on preaching our causes and goals."

Call to Surrender

Then, Comrade Mendieta added, the main thing became to publicize the Regional Government's call for surrender of those elements which for diverse reasons had joined the counterrevolution, "the rebels."

Hundreds of comrades (men and women), he explained, are moving through the mountains, often alone and sometimes armed only with patience, as in the case of Ricardo Morales Aviles, to contact the families of peasants who have been lured to Honduran territory through deception and confusion or who have been kidnapped.

The brigades formed during this time have located with precision the origin of the "uprising" of many of these peasants. "They are, usually, comrades from distant regions who, because of their very backwardness, the remoteness of the areas in which they live, the scanty influence of our media in those areas, where sometimes even our most powerful radios are not heard, plus the negative reactionary influence from radios in Honduras, have provided a fertile ground for confusion."

Francisco had in mind the inner Murra area, from Quilali to the central part, where the revolution, as an overall social phenomenon, has not had time to penetrate.

Heredity and Today's Proposals

The work of clarification is progressing. In many places it is necessary to lay the "first brick" of awareness, because "we are confronted with the legacy of the past, an entire diversionary ideological work injected by imperialism and Somoism through pseudoreligious beliefs and the most rudimentary anticommunism," comrade Mendieta continued.

Everyone knows that Las Segovias and Esteli were a center of Sandinist work in the struggle against the dictatorship, but here also an inauspicious seed was sown, with reactionary political sects and sermons that "we did not attack with enough force and which survived," he admitted.

But Jose Francisco said, as a self-criticism, that this is a product of FSLN development itself, and he cited an example. "Just think, for example, that 2 years ago in Quilali there was only one man representing the FSLN. He looked after defense tasks and was the liaison with the state structure...in short, he was a one-man orchestra, and that could not continue."

Political Struggle Against the "Contra"

"Now, then, what can a brigade member say to a member of the family of a rebel to persuade and convince him?

"When we receive the information, we chat with the family and look for the underlying reasons for their attitude; we explain and exchange ideas; we confront the lies of the 'contra' and of reaction with the revolutionary truth. For this reason we believe that this is a political struggle and that the use of military force is a 'sick remedy'."

In the second half of 1982 the various structures of the regional leadership of the EPS, the MINT, the government, the mass organizations and all the other sectors involved sat down to reflect and chose the path of "preaching Sandinism," as in former times.

Mendieta maintains that the results are obvious. The campesinos who have deserted the "contras" come and tell about their treatment and about the barbarism and criminal attitudes of their bosses.

Everything they say has an impact on those who hear it, but we also follow these returned companeros closely, and insofar as possible the revolution sees to their needs.

Justice, Not Propaganda

For this work the regional leadership has established at all levels a type of treatment which has been put into practice. "It is not publicity, like what I told you already is supported by the justice of our cause; it is a complete program of assistance for the rebels' families."

In response to a question from BARRICADA Mendieta admitted that this also is a result of errors made in the past. "Certainly there were cases of misunderstanding, of excessive harshness caused by revolutionary zeal, such as treating the families of rebels as counterrevolutionaries."

But now a program of assistance is being developed for those sectors of the population through adequate understanding of their problems and needs.

We have told our people, he continued, that such methods of revolutionary vigilance as painting signs on walls of the houses of rebels' families, which is like "persecuting the blind," must cease, and it did stop some time ago.

In the mountains there are cases where the head of the family had left. The wife or brothers of this peasant have been told to continue working and that they will be given economic assistance and that there are endorsement and authorization for the financial system to grant them loans. "This has happened because we have many of these cases and some in which the families have reunited." "The political training applies to all sectors involved in this struggle: the CDS [Sandinist Defense Committees], the police, the EPS, for everyone."

In short, it is a question of not letting the people continue to be deceived. If one member of a family has rebelled, we are going to persuade the remaining members not to make that mistake, Mendieta added.

San Fernando: A Special Case

San Fernando, a small village about 50 km from Ocotal, was used as an example, by Jose Francisco, of a place where the work has clearly been a problem.

In that region it was being said a year ago that all the people in San Fernando were "counterrevolutionaries," because it has been a Somozist village, etc.

Actually several dozen people joined the uprising, but it was not given adequate attention at the beginning. "Today I can tell you that we have freed 5 or 6 of those companeros, all of whom, like the 200 who surrendered, sought contact with the FSLN and gave themselves up."

Communication is the key to it all, and we have spread the word that "all those who have not shed Nicaraguan blood, who have not committed any crimes against their brothers, may return to civilian life again, and for those who want to set themselves straight, revolutionary justice will treat them with equanimity. We have armed ourselves with patience, the patience of the Sandinist Front itself," comrade Mendieta concluded.

8735

CSO: 3248/49

LUSINCHI OUTLINES FOREIGN POLICY OBJECTIVES

Caracas EL NACIONAL in Spanish 7 Oct 83 p D-12

[Text] In his weekly TV program on Thursday, AD's [Democratic Action] presidential candidate, Jaime Lusinchi, said that the bases of his government's foreign policy would be guided by the national interest and that its line would be consensus.

At the beginning of his remarks, Dr Lusinchi stated that Venezuela's conduct in the UN and its specialized agencies (UNCTAD, UNESCO, ONUDI, etc.), as well as in the OAS and the regional agencies, has been that of a democratic country, "and we are striving for vanguard formulas with criteria based on solidarity, striving for human rights and, ultimately, seeking areas of understanding instead of confrontation in the North-South negotiations, before they succumb to the eclipse that appears to be dominating them.

"Venezuela played a role marked by its ideas regarding the reform of the world economic order, but also by its spirit of reconciling opposing positions. In this way, our country won respectability and good will."

The AD leader gave a reminder that our country "was a pioneer in the creation of the Latin American Economic System [SELA]. We are convinced, as we were previously, that the region affords real possibilities for integration, and that the region requires an instrument such as SELA to unify its criteria, to devise its strategies and to establish links between itself and the centers of economic power. After 8 years, SELA has proven to be that necessary and useful agency that we imagined in 1975. During these past years, there has been reflected among its members a lack of policy decisions and of unity of judgment among our countries, but the recent crisis has opened the eyes of those who viewed it with suspicion.

"We believe in the integration of our countries, and hence we have always been advocates of the Cartagena Agreement. The Andean Pact is undergoing a difficult period, and we consider its revision both feasible and necessary, in the light of the new realities and on the basis of its accomplishments or shortcomings during the first decade of its existence.

"We are living in a world controlled by the superpowers in the strategic realm, and by world centers in the economic realm. Those factors impose conditions on

the scene, as well as on the context in which we act as a small country, as a developing country. The major guidelines of our foreign policy will be the following:

"1. The bases of my government's foreign policy will be at all times guided by the national interest, and by the protection and maintenance of the country's security and defense.

"We call for a foreign policy of national and nationalist consensus, which is totally Venezuelan and which completely represents the constant, immutable interests of the nation.

"3. In the relations with other states, we shall be guided by principles which originated in the thinking of the liberator, Simon Bolivar, and which now constitute the heritage of the entire international community.

"4. Venezuela's territorial integrity is closely linked with the reality of our borders. Convinced of this, we shall devote our efforts to the economic and social development of Venezuela's extensive borders, and we shall endeavor to preserve our rights to the 500,000 square kilometers that belong to the exclusive economic zone, and we shall also reinforce the protection and guarding thereof.

"5. In the foreign policy area, two fundamental questions still remain to be resolved: the demarcation of the marine and submarine areas with the fraternal Republic of Colombia, in the Gulf of Venezuela, and our territorial claim with the Cooperative Republic of Guyana. We deem rational, mutually feasible agreements to be a possibility. In both instances, our experience has shown us that any chance of negotiation that might be submitted to the parties for consideration must be the result of a common position shared and backed by the nation's representative sectors. The traumas and disappointments of the past indicate to us a course of action and a conduct wherein only the country's permanent interests should prevail.

"6. We believe in regional interpretation, and therefore we shall place emphasis on it. For the success of those plans, it is essential that the private sector of our economy participate in the making of decisions that could affect it, as well as in the general integration process.

"7. Our country requires the presence of foreign capital, and hence we shall seek the best ways of attracting foreign investment so that it may contribute to our development without competing with Venezuelan capital.

"We shall reexamine with the Andean Pact countries the scope of decision 24 and its implications, without losing sight of the principles which produced it.

"8. The reform of the economic order currently in effect is part of our foreign policy objectives. Therefore, our participation in the group of 77 which guides and coordinates the action of the developing countries will have our entire support.

"9. Our status as an oil-producing country lends our foreign policy special features, and it must necessarily consider the consolidation of relations with the consuming countries a priority so as to guarantee reliable, secure markets, as well as our relations with the countries comprising OPEC.

"10. The Ministry of Foreign Affairs is the constitutional instrument of foreign policy, and it must carry out that mission on all levels and in all the negotiations conducted by the country, whether they be political or economic, bilateral or multilateral. The establishment of a chain of command in the foreign ministry is essential in a country such as ours in which, for a variety of reasons, activity and foreign relations are becoming more intense each day.

"Friendly dealings with all countries, based on mutual respect and reciprocity, and on solidarity and cooperation, will be our goal in the complex scenario of international relations.

"To summarize, I reiterate our underlying principles of a foreign policy based upon the national interest and on the defense of our sovereignty."

2909

CSO: 3348/13

GRADUAL DECLINE IN LUSINCHI'S POPULARITY REPORTED

Caracas EL DIARIO DE CARACAS in Spanish 10 Oct 83 p 4

[News commentary by Alfredo Tarre Murzi: "The Actual Truth"]

[Text] Electoral Labyrinth.

Lusinchi's deterioration and drop in the polls are the result of the obligations and demands of political dynamism. The AD [Democratic Action] candidate is the victim of the polls and of his American advisers. The new poll for October to November will leave no room for doubt: Caldera will be president again.

At this time, David Morales Bello would have been a more eloquent presidential candidate and one better prepared to confront Rafael Caldera. In his aspiration to be AD secretary-general first and presidential candidate second, Morales Bello has many opponents; however, his great enemy is CAP [Carlos Andres Perez], the other aspirant for the candidacy in 1983.

Ever since it was first presented, the presidential candidacy of Jaime Lusinchi has been based purely and simply on polls favorable to the AD leader. Periodic public opinion polls were favorable to Lusinchi beginning last year; however, the number of persons "for" has been dropping relentlessly. From 54 percent in March 1982, Lusinchi's poll rating has dropped dramatically to 39 percent. Since Lusinchi has no professional papers to display, no extensive or copious curriculum vitae, no credentials as a statesman and no administrative experience of any kind, it is obvious that the new polls will register a considerable loss of 15 percent points vis-a-vis the ever-rising candidacy of Rafael Caldera. The only thing Lusinchi has to his credit is a folder with a few speeches in Congress, which do not number more than 15 pages. The deterioration and drop in points in the polls are the result of the obligations and demands of political dynamism in the electoral campaign. The task has been hard, fearsome and cyclopean for the AD candidate, who does not wish to debate with his opponents, does not wish to give statements to the press and does not wish to face up to public opinion as he should, which is the basis of an electoral victory. Lusinchi lives, eats and

sleeps hiding behind the skirts of the polls which are conducted by the government-opposition equation but which will not be able to ward off the personal duel between Lusinchí and Caldera. The actual truth is that Jaime Lusinchí is a victim of the polls and his U.S. advisers, who respond mechanically to public opinion polls.

The Latest Gallup Poll

The figures released by the Gallup company at the end of September are particularly grave for the Democratic Action presidential candidate. It would appear that Lusinchí is still winning with a 10-point edge over Caldera; however, in respect for the actual truth, Caldera is not only hot on his heels but is ahead of him in several important poll categories: when the voter is asked about the Lusinchí-Caldera confrontation, not counting Petkoff and Rangel, the AD candidate is listed with 42.3 percent while the COPEI candidate has 36 percent, that is, he has an edge of only 6 percent points. (The same advantage Pinerua had over Herrera 5 years ago.) With regard to the small card, Gallup reveals a surprise: AD has only 29.4 percent while COPEI registers 25.6 percent, that is, an edge of only 4 points. (It is better for COPEI if we recall the overwhelming difference in 1978.) We must not forget that in both polls a large number of undecideds of about 20 percent was recorded. When the voters were asked about the best candidate to solve the economic crisis, Caldera received 32.4 percent while Lusinchí obtained 27.2 percent. This is quite serious for the AD candidate. But much more serious are the results of another question answered by the voters, according to Gallup. I am referring to the question: Which of the candidates is most capable of resolving the country's problems during the next presidential term? Jaime Lusinchí received a very modest 26.1 percent while Rafael Caldera obtained 39.1 percent. The green candidate is ahead of his white candidate by 13 percentage points. And this is decisive and important: that the voter know Caldera is the man of 1983 to firmly and with a will to work confront the financial and economic crisis with its associated ills and problems. Lusinchí had never before taken such a beating in a poll during the electoral campaign.

Maturity of the Voter

If the Venezuelan voter says in the polls that Caldera is superior to Lusinchí, if he says without beating around the bush that he has greater confidence in the COPEI candidate for the task of effectively resolving his problems, then how is it possible to proclaim Lusinchí's victory? How is it possible to believe that the majority of our people, knowing that Caldera offers them a promising and happy future, are going to vote for the AD candidate, who does not represent change of any kind and who is surrounded by teams that have already governed and failed in a most resounding manner? It would be said that only an irresponsible or lamebrained person or a masochist would vote for the less advisable ticket and for a man who is inferior when compared with a real, serious and honest statesman. What is more, in Venezuela there is an increase in the middle classes which, combined with the country as a whole, make up a solid majority electoral bloc that will break the traditional barriers of politics by shattering the aspirations to govern of a group which

is better known in recent history for its mistakes and its inabilities in power.

According to these same polls, Lusinchi is only maintaining a real and perhaps lasting advantage in the less populated and underdeveloped regions. On the other hand, Caldera is ahead of his opponent in the central regions, such as Caracas, Aragua, Carabobo and Miranda; and in the western regions, such as Zulia, Falcon, Lara, Portuguese and Yaracuy. In the Andean region, AD has an edge only in San Cristobal, the plains and in the east, although Lusinchi is leading in Apure, Guarico, Cojedes, Anzoategui, Bolivar, Monagas, Nueva Esparta and Sucre, Caldera is far ahead in Barinas and is almost even with Lusinchi in Margarita, Cumana and the Paria coast. Lusinchi only has an edge in Bolivar, Monagas and Azoategui, as happened to Pinerua in the past. Caldera's potential is in the central and western parts of the country where there are more workers and more votes, without losing sight of the Andean and plains peasants.

The actual truth is that Gallup revealed a surprise; and between October and November, the new poll will leave no room for doubt: Caldera will be the new president.

David and the Fence

Mofales Bello is seen to be agile and distrustful in defense of his right to be a candidate for the secretariat general of the AD (first phase) and for the presidency of the republic in 1988 (second phase). David is not one of those who fall asleep: in the AD he has always fought against a kind of fence which his comrades delight in placing around this mobile leader with power and talent.

At this time, Morales Bello would have been a presidential candidate distinct from the hermit, that is, a more eloquent and better-prepared standard-bearer to confront Rafael Caldera. Certainly David is a born fighter, a fearsome debater outside the courtrooms but is ill-fated within his party. Romulo, like Leoni and Barrios, came out to challenge him whenever David showed his face and brought out his biblical sling to hurl rocks. Now he is facing Jaime, Manuelito, Lepage, Canche and Pinerua, each from different strongholds; however, the big enemy of today is Carlos Andres Perez, the other aspirant for the presidency in 1988. Morales Bello reacts strongly when strings are pulled in the AD against his presidential aspirations. Recently he protested against the clique which is attempting to impose its decisions and candidacies. There is Morales Bello once again trying to break the unyielding fence of those who cannot forgive him his way with words and his charisma. David is calling upon the rank and file, to internal democracy to not allow themselves to be silenced by the inner circles and cliques that are trying to give orders in the AD. Morales Bello is not one of those who become frightened and beat a retreat. He will bring the fight to Perez, Lusinchi, Penalver, Lepage, Pinerua, Canache and to any Tom, Dick or Harry who disputes his right to be in 1988 what the AD did not have in 1983: an unbeatable presidential candidate.

8143

CSO: 3348/20

CALDERA ON MUNICIPAL ELECTIONS, DEBT REFINANCING

Caracas EL NACIONAL in Spanish 6 Oct 83 p D-14

[Text] Yesterday, Rafael Caldera proposed a search for political agreement so that the uninominal municipal elections may be held next year during the sessions of the Congress of the Republic that will be inaugurated on 23 January.

The COPEI [Social Christian Party] presidential candidate does not preclude the possibility of this decision's being made without the participation of Democratic Action [AD]. Nevertheless, he said that its refusal would delay the holding of the elections, which is why he is calling for a political agreement now.

The proposal was made by Caldera at his 25th press conference, which was attended, in the capacity of special guests, by the Chilean Christian Democratic leader, Gabriel Valdez; Curro Giron; horse trainer Millard Ziade; Haydee Martinez de Osorio, general director and chairwoman of the UNICEF Board of Directors; and the artist, Belen Parada.

As for party-government relations, Caldera confirmed his position to the effect that he would not allow the election debate to become a discussion on the government's achievement. As everyone knows, President Herrera has requested that the party defend his administration, and the strategy of the Calderist leadership regarding this issue is currently under discussion.

He added that his leadership has taken the "offensive" in the final phase of the campaign.

He stressed that the country wants more debates between him and Jaime Lusinchi. He said that the AD candidate's refusal has caused many Venezuelans "to lack confidence in him" to lead the country.

Uninominal Municipal Elections in '84

Caldera claimed to be satisfied with the CSE's [Higher Electoral Council] decision to hold the municipal elections in 1984, separate from the presidential elections; because that is a gain in the democratic system. He then added that he would make a comment and formulate a proposal. The former relates to the desire of Venezuelans to have the uninominal elections held, beginning with the municipal ones, and those in the other deliberative bodies later.

The proposal is that the Congress which takes office on 23 January consider "a simple bill" to reform the Law on the Municipal System, so that the 1984 municipal elections may take place all at once, with a uninominal selection. It would be through a political agreement now that it could be ascertained whether it is true that those who are talking so much about this possibility really want it.

Solving the Debt Problem Is the Most Urgent Matter

In response to another question, Caldera stated that his team is now ready to deal with the problem of refinancing that he considers the "most urgent" matter facing the country at present.

As for the proposals of the International Monetary Fund, he said that some of them, such as the cut in public and luxury spending, will have to be adopted, but that a drastic reduction that would cause the layoff of many workers is not feasible for the economy. Nor did he express agreement with an accelerated linear devaluation; but he does think that unification of exchange should be achieved, and, subsequently, free exchange of foreign currency.

He does not believe that the bolivar will reach 4.30, but thinks that it will not reach 12 or 13 bolivares either. He claims that, after the unification has been achieved, there must be an effort to stabilize the currency.

This Campaign Is Not a Chess Game to Me

The leader and founder of the green banner party later remarked, when comments were made to him regarding his emotion on the latest television programs, that, to him, this campaign "is not a chess game," but rather that what is being decided is something very important.

He said that he had an "emotional" inheritance from his mother's family, and a "calm" one from his father's family. His emotion has never exceeded the bounds of propriety, but he is vehement, because "what we are doing is not just anything, and the country realizes it."

No Reelection for Governors

Someone asked him about the election of the state governors.

"In the wording of the present Constitution, you know that there is a provision whereby the governors are freely appointed and removed by the president of the republic, but a law passed by two thirds of the members of Congress must decide on the direct, popular election of the governors. To be sure, there must be an agreement among the leading political forces. I consider this an aspiration that could take shape provided it was surrounded by a group of conditions that would prevent its becoming a kind of political bossism, with regional oligarchies, which instead of fostering the progress of the institutions in a popular direction, would hamper it.

"But if governors are going to be elected for 5 years, and reelection is going to be allowed, it would become stifling for democracy. I would not be opposed to our discussing the terms of a potential law in this regard, to arrive at a solution concerning the duration of the term, the non-reelection and the minimal conditions. I hope that we can find satisfactory methods."

The AD Members Are Trying to Create Confusion About My Possible Victory

Another reporter asked him about the possibility brought up by AD that COPEI may disregard the election results. The COPEI candidate claimed that he had noted among the Lusinchi leadership "little confidence in the triumphalism that they have been proclaiming," and a desire to make accusations and assertions regarding those who have maintained an incorruptible conduct in support of the democratic institutions. "There has never emerged from my mouth a disregard for the popular vote, or even a dubious attitude regarding it."

He stated that, when some AD members bring into question Caldera's victory in '68, they are trying to "create confusion about my possible victory." He recalled that Gonzalo Barrios, whom everyone has surrounded with respectability, has claimed that Caldera would only win with fraud, adding that Barrios, with them, is embarking upon "rough" terrain.

He described Jaime Lusinchi's statement before leaving for Houston a "testament" for a kind of farewell, with documents signed for the public.

The Campaign Should Not Be a Discussion of the Present Government

He was also asked whether the government's administration constituted a burden for his campaign.

"I am firm in my position, and I am not willing to deviate from it, namely, that I do not want to lead the electoral debate or allow it to be led into a discussion of the present government. Rather I want to stress that the voting is to elect the next government. Under all circumstances, in all the nations of the world, in a government-opposition debate the position of the opposition is always more comfortable; and, if there is a bad economic situation, a world crisis and a national crisis, it is far easier. And sometimes people can succumb to the deception, and allow themselves to be led by that debate in which the advantages are for the one who cites everything that is bad, everything that is gloomy, everything that is defective, leaping into a vacuum. In the long run, trying to cast a vote of punishment, they punish themselves, electing a government that is undeserving. That is why, when friends from the press ask me questions of that kind, I systematically tell them that my battle is to win the vote, and convince my fellow countrymen of the formula which I am offering them at a time that is unquestionably difficult.

2909

CSO: 3348/13

CALDERA'S CANDIDACY REPORTEDLY GAINING STRENGTH

Caracas EL NACIONAL in Spanish 7 Oct 83 p A-6

[Article by Sanin: "The Progress"]

[Text] While Lusinchi is leaving for Houston to receive another foreign, "made in USA" honorary doctorate, and Carlos Andres Perez is traveling to Ovieda to receive the Order of Prince of Asturias, Caldera is making a triumphal tour of the country, and the polls admit his progress. While the internal situation of AD [Democratic Action] is becoming complicated, with an outbreak of inevitable dissension, that heated debate between Perez and Leandro Mora, vehement comments by Bruni Celli and Pinerua regarding the lack of democracy and discussion among the organization's members, Lusinchi is falling and Caldera is rising. In AD, the struggle by Perez and Lusinchi for control of the party with a view toward the 1988 elections has cropped up prematurely; as well as the battle between Morales Bello and Canache Mata for the position of secretary general, as if Manuelito Penalver had resigned. The situation seems so difficult and inflamed that Pinerua himself has recommended putting off the confrontation "until after the elections."

Caldera is advancing firmly and self-assuredly through the latest Gallup poll. When the voter is asked about the duel between Lusinchi and Caldera, the AD candidate receives 42.3 percent, and the COPEI [Social Christian Party] leader receives 36 percent, while there are still over 20 percent undecided. When the voter is asked about his vote on the small card for the deliberative bodies, AD shows up with 29.4 percent and COPEI with 25.6 percent: an advantage of less than four points, with 17 percent undecided. That was also the state of affairs 5 years ago, but Herrera won.

The September Gallup poll is very telling and graphic in other respects, such as the one that prompted the query of the voters as to which candidate could best help to solve the economic crisis. Caldera proved to benefit with 32.4 percent, while Lusinchi received only 27.2 percent. Another even more interesting question was asked of the voting people: Which of the candidates is most capable of solving the country's problems during the next term? Of course, Lusinchi registered only a modest 26.1 percent, while Caldera was indicated by 39.1 percent; in other words, in that extremely important area, the COPEI candidate is ahead of the AD hopeful by a mere 13 points.

There is another aspect of the Gallup poll that discloses the failure of the Democratic Action campaign, despite the daily spending of a million bolivares for advertising, plus the \$8 million to be taken by the technician, Joe Napolitan. I am referring to the question concerning the efficacy or the influence of the election campaign on the voters, from the standpoint of argument. AD-Lusinchí receives only 26.7 percent, ahead of COPEI-Caldera by only two points; because the latter's figure is 24.5 percent. This means that, at this point, despite the tons of printed paper, the flood of insults on radio and television and the opposition's practice, with all guarantees for abuse and slander, and the river of gold coming from the "12 apostles," the AD campaign has had a favorable impression on only a quarter of the country's voting population. For a nation with financial, economic and social problems, that percentage for AD-Lusinchí (as an opposition factor) is really very poor, almost meager, with the election campaign ending. This is tantamount to saying that the dirty tone of the AD advertising, which has been so plentiful, so profuse and so heavily funded, has not made a favorable impression except on a minority of the voters. This must necessarily be the case.

Caldera, on the other hand, has advanced, is advancing and will continue to advance, to the point where there is already the full, sure conviction that, in October and November, the polls will put him ahead of his adversary. We do not have the slightest doubt of this. One need only have seen the lukewarm reaction to Lusinchí's program at the businessmen's meeting at the Hilton, and one need only have heard the adverse comments evoked by Jaime's recent program on a television channel broadcast from the La Ermita retreat. Hence the anger of Carlos Andres Perez, who has criticized his own party left and right, while taking his preferential dollars to Madrid, where he has a good reputation as a businessman and as a refined, discreet politician, like his excellent friend, Duke Adolfo Suarez. Hence, also, the touching sadness of Jaime Lusinchí, who will gain only two honorary doctorates and an enormous weariness from this election campaign.

2909

CSO: 3448/13

PRO-CALDERA MOVEMENT TO SEEK VOTES AMONG UNDECIDED

Caracas EL NACIONAL in Spanish 11 Oct 83 p D-15

[Text] Yesterday, Rafael Caldera asked the group of dignitaries who make up the "Confidence with Caldera" movement to seek the votes of the undecided, those who feel inclined to vote "against" but who are still vacillating with respect to their voting intentions.

The "Confidence with Caldera" movement, which is chaired by Hector Hernandez Carabano, made its debut yesterday with a handsomely logotyped manifesto that accepts the challenge of COPEI [Social Christian Party]. The master of ceremonies was Rafael Lara Garcia, and the manifesto was read with obvious emotion by Corina Parisca de Machado Zuluaga.

Hernandez Carabano was the first to speak. He hammered home the need for a restoration of confidence, the number one element in economic recovery.

Following is part of the document of the "Confidence with Caldera" movement, which describes itself as a group of Venezuelans without obligations to any party discipline and which quite seriously accepts Rafael Caldera's challenge. The ceremony was held at noon in the Grand Salon of the Caracas Hilton.

"We feel that in order to accomplish this difficult national recovery task, given the magnitude and importance of the measures which will have to be taken by the next government, it is essential to have the conscientious and responsible participation of all Venezuelans. In this regard, we must not omit efforts to organize society in such a way that continuous dialogue with all sectors is possible, as Rafael Caldera is promising us.

"What is more, we feel an urgent need for a consensus of the political wishes of all the sectors of national life. This consensus should be produced by the participation of persons of exceptional moral and civic virtues who are representatives of all the strata of society."

8143

CSO: 3348/20

RUMORS OF COUP D'ETAT, POSSIBLE ELECTORAL FRAUD VIEWED

Caracas EL DIARIO DE CARACAS in Spanish 9 Oct 83 p 6

[Editorial: "Fraud or Lethargy?"]

[Text] "Fraud" is large-caliber word with harsh connotations when applied to electoral results. Then the crime becomes an attack against the community and an authentic treason against the country.

The specter of electoral fraud and its denunciation, which was perhaps preventive, were the work of those who--according to the polls--have the least to fear. The up-to-now solid edge of Jaime Lusinchi over Rafael Caldera should not arouse in Democratic Action fears of an electoral fraud.

Nevertheless, the open denunciations have become more strident, pointing to the possibility of electronic fraud, through manipulation of the computer programs of the Supreme Electoral Council.

Gonzalo Barrios, president of Democratic Action, feels that such computer frauds would in any case be "small." Then he added concisely--but with great clarity--that "fraud with a capital 'f'" would have to come through a coup d'etat.

A coup d'etat which would frustrate the electoral results.

That would be "fraud," according to Gonzalo Barrios.

Those who are harboring grave concerns over this possibility are remembering that 2 years ago the chief of state made a famous statement which at that time was interpreted as the announcement of a change in direction, or recovery and even of economic takeoff.

"I will hand over the government to a member of COPEI [Social Christian Party]," the president of the republic said when members of the press corps asked his opinion of the effect of the government's unpopularity on the electoral campaign.

Since then, the government's popularity has declined even further and the erratic economic and financial policy has created a climate of discord which is seriously affecting the possibilities of the handing over of the government" to a member of COPEI."

The distrustful, working on the maxim of "think the worst and you are probably right," are of the opinion that various recent symptoms tend to confirm a context favorable for fraud with a capital "f."

Are those symptoms the products of chance or intention? In any event, they are interpreted as a chain of provocations against the military and the armed forces.

Noteworthy among those incidents is the activism of DISIP [Directorate of Intelligence and Prevention Services] which has managed to replace the armed forces in all matters relating to the investigation of the events which took place in Cutufi.

As the specific result of the massive presence of DISIP, regrettable incidents have taken place between the armed forces and agents from the security service. The justification for the military interpretation is that DISIP constitutes a provocation by supplanting the competent organizations of the armed forces in their duties and displacing them from their functions.

Shortly after the Cutufi events, DISIP discovered an enormous shipment of cocaine worth 3.2 billion bolivars. Almost immediately there was an allegation of the military's participation in drug trafficking, participation which subsequently proved to be that of two lower-rank conspirators who had been expelled many years ago by the selfsame armed forces. Because of lethargy or intention, the seed of doubt is reviving malaise among those who consider it their duty to maintain the reputation of the armed forces.

Their first reactions are aimed at the institutional origin of DISIP activism, at the Ministry of Foreign Affairs, to which DISIP is subordinated, the battering ram of "unequivocal provocations" which could result in fraud with a capital "f," a coup d'etat, days before the elections.

AD's concern over the manipulation of the electoral results is sincere; and the concern of the armed forces over DISIP interference in military matters and efforts to "link" the institution with drug trafficking is sincere. Is it possible that the concern of the governor of Caracas over the constitutional proclivities of the Minister of Foreign Affairs, following the incidents which took place in the office of the attorney general of the republic is also sincere? Incidents which certainly cost Governor Cardenas his job.

The hypothesis of fraud with a capital "f," produced by chance, runs head-on into the recognized constitutional and democratic convictions of the president of the republic.

The indicators and fears, therefore, must be the result of lethargy, which is politically dangerous in this stretch drive of the electoral campaign.

8143

CSO: 3348/20

ELECTORAL CAMPAIGN, AD-COPEI INTERNAL STRUGGLES VIEWED

Caracas EL DIARIO DE CARACAS in Spanish 10 Oct 83 p 30

[Article by Pastor Heydra]

[Text] The CSE [Supreme Electoral Council] has decided to hold the municipal elections separately from the national elections, opening the door to the end of the two-party system resulting from the defeat of one of the parties. COPEI [Social Christian Party] has stepped up its attacks on Lusinchi and his differences with the government. AD [Democratic Action] has placed emphasis on demythologizing the alleged virtue of Caldera's experience and is again noting his ties to the government; and Jose Vicente Rangel has presented his platform.

During the 26th week of the electoral campaign, we are witnessing infighting within the country's principal political parties: AD and COPEI. The Social Democrats have stepped up their attacks on AD and the person of Jaime Lusinchi, while praising Rafael Caldera as the necessary man and pointing up new differences with the government. What is more, the CSE has decided that the municipal elections will be separate from the national elections, opening the door to the end of the two-party system resulting from the defeat of one of the parties; the CSE has received a petition from the minority candidates requesting treatment on the radio and television programs sponsored by this organization equal to that accorded the AD, COPEI, MAS [Movement for Socialism] and AUP [expansion unknown] and has been informed of the denunciations made by the former head of its Data Control Division, Virgilio Abouhamad, on the subject of the so-called technical operational electoral fraud. Jaime Lusinchi has returned from Houston after receiving an award at the University of Houston in the United States; while Teodoro Petkoff has arrived in the country from the Canary Islands, where he had been honored by friends and supporters. For his part, Jose Vicente Rangel presented his platform in the conference room of Parque Central.

AD and COPEI Internal Struggles

The unfolding of the electoral picture, which makes it possible to predict a landslide victory for AD and a resounding defeat for COPEI in the 4 December

elections has revived the internal struggles within those organizations that had been in a state of hibernation with regard to the electoral process.

In fact, the internal power struggles in those and in all the political organizations are a daily constant which are more or less spectacularly expressed, depending on the situation.

In the case of AD, this is a party with a certain amount of internal complexity, as there are no well-defined factions within it but rather influential personalities around whom specific leadership groups cluster, which facilitates a framework of highly changeable alliances dependent on the specific circumstances being dealt with and experienced in that party.

At present, it seems clear that there are two institutional figures with weight who will determine the balance of power in several ways: Gonazalo Barrios and Carlos Andres Perez CAP. The former will hew to his traditional line of not altering the AD "establishment," while CAP will fight to guarantee an AD opening toward a civilian society which is divorced from the political sector, which he will ratify in the government with his votes, and will advocate the internal renewal of its policies, actions and leadership cadres to bring that organization into step with the new times and guarantee the calling for internal electoral processes within a judicious time frame to prevent the further hardening of the arteries and petrification that has taken place up to now. Without all this process running head on into the future action of the government.

There also appears to be a dominant sector in the AD: the Lusinchi-Penalver team, which has impressive weapons in its hands for the internal struggle: the candidacy and very likely the presidency of the republic, the trade union bureau and the secretariat general of the party. This team has demonstrated its will to maintain control over the apparatus expressed in Manuel Penalver's desire to be reelected secretary-general and in the manner in which it drew up the party planks, in consultation with other leaders but definitely imposing its own specific imprimatur to ensure a parliamentary team with a minimum of conflict and effect on the possible government.

Next comes a sector headed by David Morales Bello, who will attempt to win the AD secretariat general when that party's national convention is held. Morales Bello is a prestigious leader of that organization who contended with Jaime Lusinchi for the presidential candidacy and received 25 percent of the votes of the Electoral Colleges. He has been quietly but actively traveling about the country and is seeking to identify any dissatisfactions that may exist within the AD with the handling of affairs by the Lusinchi-Penalver team.

Marco Tulio Bruni, in representation of "Pineruism," has also entered the arena; however, he appears not to have any support other than that provided by his "guardian angel" from Guiria.

Basically, the seemingly extemporaneous struggle, which has implanted itself within AD with respect to renewal and the aspirations for the presidential

candidacy, is seeking to limit the broad power which the Lusinchi-Penalver alliance could have if this party wins the national elections by an overwhelming majority. Thus the sectors not included in that alliance will have the capability of impacting on government and party decisions to be made in the next 5-year period, in addition to initiating the struggle for the 1988 presidential candidacy starting right now.

In the case of COPEI, things are much more well-defined than in AD, in that this organization is divided into two major factions: Calderism and Herrerism.

The possibility of a resounding defeat in the December elections causes us to predict strong polemics and struggles which will be translated into a fight for control of the political apparatus with unpredictable but very likely extreme consequences.

Calderism will attempt to finger the government as the principal cause of the possible Caldera defeat, while Herrerism will emphasize that the defeat would be the result of a mistaken strategy, such as the continuing differentiation between the government and the image of the party and the candidate.

In the opinion of that sector, this has no credibility with public opinion, and the only thing it has done is to weaken the government, the party and the candidate all at the same time.

In Calderism, there are serious disagreements between the "heirs apparent"; and a Caldera defeat would precipitate leadership struggles between Eduardo Fernandez, Oswaldo Perez and Hilarion Cardozo. In Herrerism, there is a context of greater compactness between the figures of President Herrera, Pedro Pablo Aguilar--who is not averse to the idea of being the standard-bearer of the Social Christian Party in 1988--and Pepi Montes de Oca, who could be a candidate for the secretariat general. An intermediate institutional sector is also active which includes Jose Antonio Perez Diaz and Enrique Perez Olivares and which up to now has been a contemporization and rapprochement factor between the contending factions.

Given the existence of two organized, polarized factions, with strong anti-thetical characteristics, there is reason to predict that the COPEI internal struggle will be bitter and without quarter. Therefore, beginning now and anticipating what may happen on 4 December, both sides are starting to test their arguments and to prepare the ground to justify their positions.

Stepping Up the Campaign

This week, COPEI and AD stepped up their campaigns by engaging in a war of bold television spots which, 2 months from the end of the electoral process, are indicative of the tone of the campaign in its final phase. This TV war was accompanied by a verbal confrontation between candidates Caldera and Lusinchi and the principal men in their respective commands.

The COPEI Campaign

COPEI is carrying out a three-tiered plan of action. On the one hand, there is a constant campaign to discredit the person of Jaime Lusinchi and AD; on the other hand, there is a plan to differentiate the party from the government; and, finally, there is a strategy of exaltation for the person of Rafael Caldera as "the necessary man."

COPEI is seeking a way to capitalize on the polarization between the persons of Caldera and Lusinchi to prevent the crumbling of this organization and the possible destruction of the two-party system because of the casting aside of one of its parties.

This week Rafael Caldera had an excellent program on "Primer Plano" [Close-up] on which he demonstrated his speaking ability and his excellent use of the television cameras, even though he added nothing new to his usual generalist rhetoric. Caldera appealed to the people's sentimentality, thereby demonstrating that he will make every effort to avoid a defeat in December. COPEI launched a series of quality testimonial TV spots on which outstanding sports figures and citizens made appearances and linked their activities and their difficult moments with the need for a leader experienced in the handling of these circumstances. Also the CIMA [expansion unknown] came out with an impressive campaign on Sierra Nevada and BTV [expansion unknown], and the Calderist campaign committee aired an excellent TV spot designed to deliver a heavy blow to polls which are giving Lusinchi an overwhelming edge and which have great credibility at the popular level.

COPEI has a varied gamut of TV spots on unemployment, the women's meeting with Caldera and the testimonials already mentioned.

This week COPEI issued a campaign flier [valla] which was poorly put together both from the standpoint of the text, which was not well written, and the design, which was not very eye-catching. The flier does not say much for the creative minds that conceived it.

This week Rafael Caldera was intensely busy: he inaugurated the main office of "our own young people"; met with Gabriel Valdez, top official of the Chilean Christian Democratic Party; traveled to Caucaquita; had lunch with a group of businessmen; had dinner with the Venezuelan Association of Executives; held his weekly press conference; supported the FEDECAMARAS [Association of the Chambers of Commerce and Industry] petition on acknowledgement of the debt; traveled through Catia and Yarucuy State; and presented his customary television programs, "The Country Needs Solutions," "Ask Caldera" and specials on the state TV channels.

The AD Campaign

AD is engaged in a campaign designed to hit hard at COPEI as the party responsible for the crisis existing in the country, to link Caldera with Luis Herrera's administration, to counter COPEI's emphasis on Caldera's experience and to portray Jaime Lusinchi as a popular leader and a statesman.

Jaime Lusinchi got in a good blow this week with the award he was given in Houston and his concrete offer to renegotiate the debt, at the very time he was traveling to the United States, the country in which the process is taking place.

This week the AD candidate, in addition to his intense activities in the country to the north, met with Gabriel Valdez, the leader of the Chilean Christian Democratic Party. He returned to the country on Saturday, refuted the statements made against him by Caldera, presented his special "Face to Face with the Future," his specials on state television channels and took part in the "Good Morning" program.

AD has witnessed the onset of an internal struggle, which is an omen of the victory syndrome, in a campaign that still has 2 months to go and with an opponent disposed to use every trick in the book to keep from being beaten.

The campaign committee put on excellent TV spots critical of the government and Caldera's so-called experience. They emphasized spots showing the fellow from Maracay, the cab driver, social problems linked to the lack of credibility of Caldera's experience, the unemployed engineer and the sensational mass rallies held by Lusinchi in Barquisimeto and Maturin.

The Rangel Platform

Jose Vicente Rangel is the third candidate to present his platform, which, in addition to his ideological proposal to seek socialism contains a package of answers to the country's specific problems.

This week Jose Vicente Rangel continued his junkets throughout the country; traveled to El Tigre and El Tigrito; participated in a special ceremony in Cantaura, where he recalled the violent incidents that had taken place in that town 1 year ago; kept up his excellent biographical TV spot; and made another spot on the country's problems. He went to Guanare and Barinas and travelled through Miranda State. He participated in an excellent worker rally in San Juan de los Morros and presented special programs on the state TV channels.

Petkoff Has Returned From Canary Islands

This week Teodoro Petkoff returned from his trip to the Canary Islands where he was honored by friends and supporters.

He announced that he will present his platform on 17 October and made an extensive trip through Cojedes, Barinas, Sucre, Merida, Trujillo, Zulia and Miranda. He held his weekly press conference, presented his television specials on the state TV channels and repeated his excellent spots with entertainers and alienated sectors.

This week he received a special award in El Batey (Zulia), his birthplace.

8143

CSO: 3348/20

END